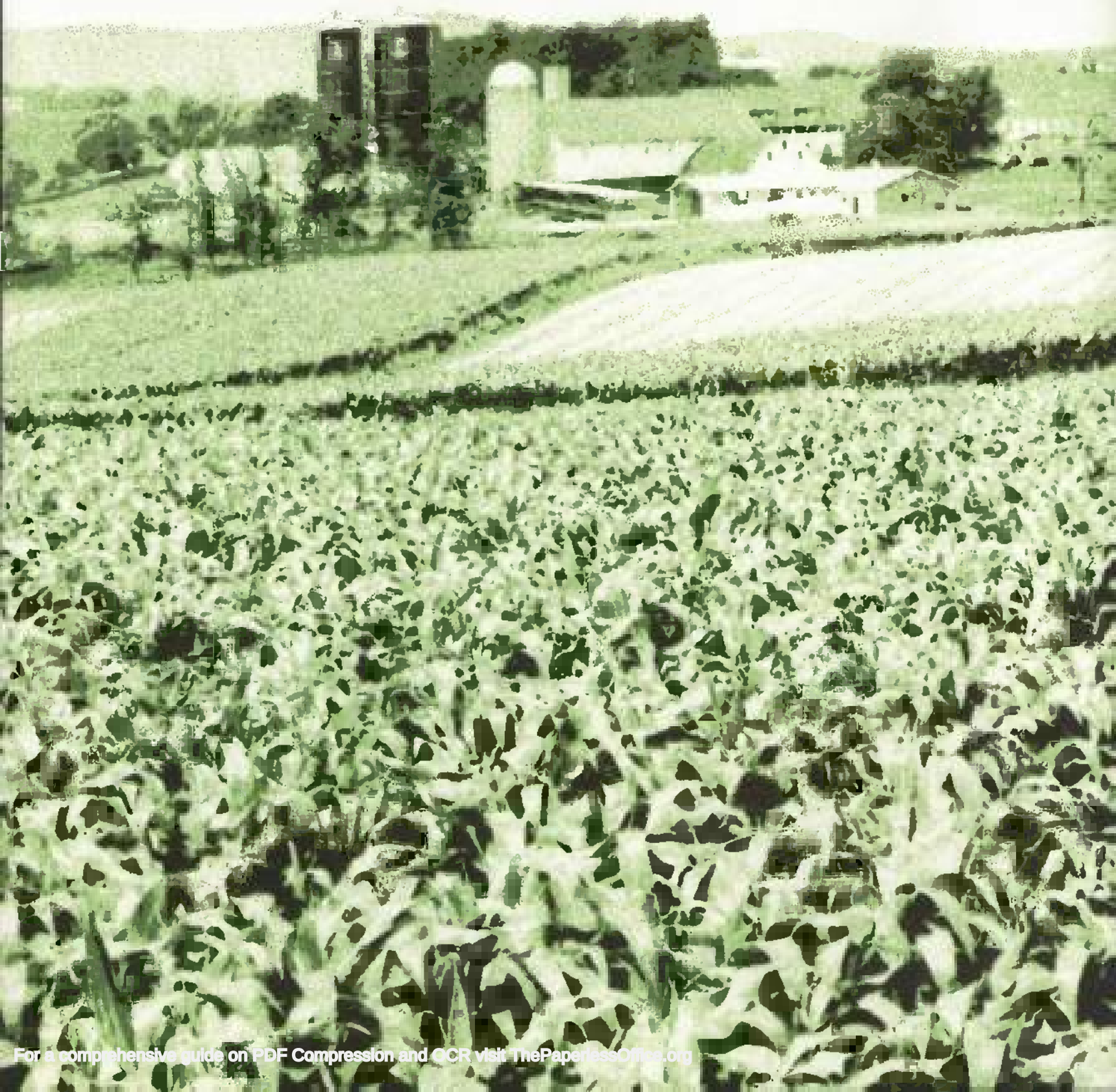
Agricultural Outlook

AO-56 July 1980

U.S. Department of Agriculture
Economics, Statistics, and
Cooperatives Service



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Agricultural Outlook

July 1980/AO-56







1 **In Brief**

2 **General Economy**
Preliminary estimates indicate that real GNP fell a steep 8.5 percent (annual rate) in the second quarter . . . And as an ominous sign of a potential inventory cycle, business inventories rose a sharp $5.9 billion in April as the inventory-to-sales ratio climbed to 1.51 from 1.44 the previous month.

4 **Agricultural Economy**
Livestock and poultry prices began moving up during June, and by early July they stood near or above year-earlier levels . . . Prospects indicate improved prices and cash receipts in the livestock sector during the second half of 1980 . . . Despite the generally tight credit situation earlier this year, loans outstanding to farmers rose significantly in the first quarter of 1980.

8 **Spotlight on 1980 Production Costs**
Big jumps in 1980 production costs are projected for wheat, corn, soybeans, and cotton.

10 **Food and Marketing**
Retail food prices are expected to advance at a double-digit annual rate in the third quarter, with gains in the farm value of retail foods causing much of the acceleration.

12 **Commodity Highlights**

15 **Transportation and Storage**

17 **Recent Publications**

18 **World Agriculture and Trade**
U.S. farm exports are still moving at a record pace . . . World grain crops are still heading for a gain over last year . . . A severe drought has hit East Africa, causing critical food supply problems.

23 **Statistical Indicators**

Economics Staff
Larry Van Meir (202) 447-2317, and Ted Feitshans (202) 447-6860
Managing Editor
Leland Scott (202) 447-8353
Assistant Editor
Shirley Hammond (202) 447-8353
Statistical Coordinator
Ann Duncan (202) 447-2319
Production Staff
Sheila Turner, Shawn Irving, Francina Edwards, Deborah Perrell; Neva Hayslett; Anita Meyer, Joan Bazemore, and Susan Yancro.

For more information, contact:
Commodity Highlights–Don Seaborg or Bob Miller (202) 447-8376
Farm Income–Allen Smith (202) 447-4190
Food Prices–Paul Westcott (202) 447-8801
General Economy–Paul Prentice and Michael Salant (202) 447-2317
Inputs–Robert Reinsel (202) 447-7340
Marketing Costs–Leland Southard (202) 447-6860, or Denis Dunham (202) 447-8801
Transportation–Bill Gallimore (202) 447-6363
World Agriculture and Trade–Dewain Rahe or Sally Byrne (202) 447-9160.

Note: Contributing authors are now listed, along with phone numbers, at the end of each article.

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In Brief . . . News of Livestock Prices, 1980 Crop Acreage, and Farm Credit

Livestock prices and cash receipts for the second half of 1980 are expected to rise from the depressed levels of the first half, surpassing second-half 1979 levels as well. Smaller numbers of cattle on feed, reduced egg sets for both broilers and layers, and market hog numbers more in line with year-ago levels are all contributing to this outlook.

Hog producers reported intentions to farrow 8 percent fewer sows during June-November than the same period a year ago. If these intentions are carried out, pork production will be down a like amount in the first half of 1981, which would tend to strengthen livestock prices.

Grain, oilseed, and cotton prices will continue to be sensitive to prospects for world and domestic 1980 grain crops. In the United States, food grain acreage is up 16 percent this year, and feed grain acreage is up 2.6 percent. Acreage of all oilseed crops declined.

Total farm loans outstanding were up from a year ago in the first quarter of 1980. This expansion implies a major upward shift in the demand for capital brought about by the increase in production costs projected for 1980.



Per-acre production costs in 1980—excluding land—are projected to climb 24 percent from 1979 for corn, 21 percent for soybeans, 23 percent for wheat, and 18 percent for cotton. These projections reflect the current outlook for input price changes.

Barge shipments of grain and soybeans dropped to near year-ago levels in May after running well above a year earlier in April. During the first week of June, shipments again exceeded year-ago levels. Fluctuations in barge shipments very closely reflect changes in export volume.

U.S. farm exports in the first 8 months of fiscal 1980 stood at a record $28.0 billion—33 percent higher than a year ago. This gain was fueled primarily by a 29-percent rise in volume. Export prices, except for soybeans and soy products, have also been generally higher than a year ago.

Available storage capacity on June 1 was down 195 million bushels from a year earlier. Nearly two-fifths of the decline occurred in onfarm storage facilities. Nevertheless, storage and transportation facilities are expected to be adequate for the record winter wheat crop now being harvested.

Retail food prices are expected to rise sharply in the second half of 1980, led by increases for beef, pork, and poultry. Higher marketing costs will again be an important factor in third-quarter retail food price rises; however, the farm value of foods is expected to rise substantially from the extremely low second-quarter levels and will likely contribute more to the food price rise than marketing cost increases.

This year, consumers are expected to spend $21 billion more in food stores and eating places than in 1979. More than 95 percent of this increase will be caused by a larger marketing bill, reflecting higher costs for labor, packaging, transportation, and energy.

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General Economy

Preliminary estimates indicate that the general economy contracted a near-record 8.5 percent (annual rate) during the second quarter. This decline in real GNP was precipitated by a sharp drop in consumer spending, as consumers continued to adjust their saving rate upwards and as real disposable income declined. Real GNP is expected to decline more slowly during the third quarter.

The major corrective factors in the outlook are the rapid decline in interest rates, a decrease in the rate of inflation, and an increasing probability of a tax cut. The lower interest rates should provide a boost to interest-sensitive sectors of the economy, such as consumer durables and residential housing investment.

A tax cut, if enacted, is likely to be partly aimed at the supply side of the economy as a stimulus to saving and investment. Such a cut would be less inflationary than a tax cut aimed largely at boosting consumer spending.

Unless an inventory cycle develops, the economy is expected to turn upward toward the end of the year or early in 1981. Two important numbers to monitor in coming months are the Commerce Department's retail sales figures, an indicator of consumer spending, and the inventory-to-sales ratio, an indicator of a potential inventory cycle.

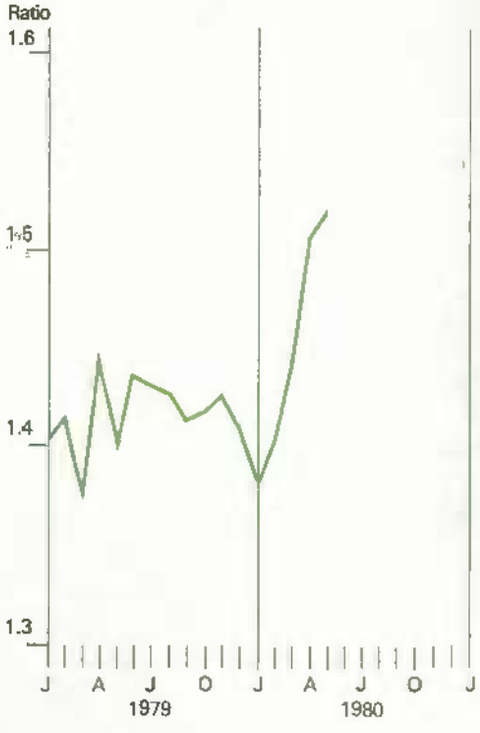
Inventories Rise in April

The book value of total business inventories rose a sharp $5.9 billion in April, compared with a $4.0 billion increase in March. When combined with a decline in sales, the inventory-to-sales ratio climbed to 1.51 in April, compared with 1.44 for March.

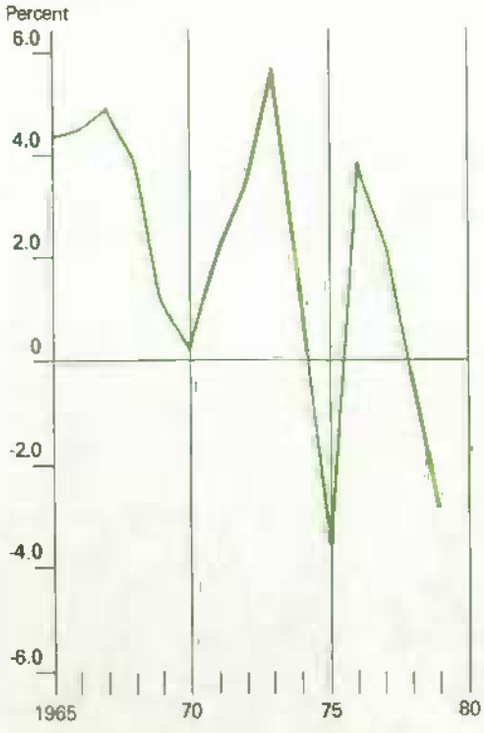
An increase in the inventory-to-sales ratio indicates that inventories are rising faster than sales, often presaging future cutbacks in production as businesses try to prevent further inventory accumulation. The ratio averaged 1.42 during 1979, indicating that businesses were keeping a tight rein on inventories.

Before the April numbers were released, the absence of an inventory cycle was often cited as evidence that the recession would be short and mild. However, if business inventories rose substantially during the second quarter, or if sales continue to decline, inventory liquidation would likely occur in the third and possibly fourth quarters, extending the recession further into 1981.

Inventory/Sales Ratio Moving Up



Approximate Real Interest Rate for Housing



Real Interest Rates Tied to Inflation

The real rate of interest is an important variable in determining economic activity. It is defined as the nominal interest rate minus the expected rate of inflation—that is, if the nominal interest rate were 12 percent and the expected inflation rate 15 percent, the real interest rate would be minus 3 percent. Assuming that inflationary expectations were accurate, a borrower in this case would not only be getting "free" money but would actually be accruing a 3-percent bonus to go into debt for current purchases.

Part of the inflation problem of the late 1970's was low or even negative real rates of interest, which stimulated excess demand over a period of years. As demand rose, so did prices, and the ensuing buildup of inflationary expectations soon dwarfed nominal interest rates—fueling the inflation spiral.

However, the expected rate of inflation is difficult to quantify. Some economists argue that such expectations are built up slowly over a period of years and can be approximated either by averaging past inflation rates or through some other statistical technique such as a distributed lag. Others contend that inflationary expectations are determined largely by the current inflation rate, as consumers tend to project their most recent experience.

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The housing boom of the late 1970's provides a good example. The year-to-year change in the Consumer Price Index (CPI-U) for home purchases can be used as an approximate measure of inflationary expectations in the housing market, with the mortgage rate for new homes serving as the appropriate interest rate. Subtracting the inflation rate from the mortgage rate yields an approximate measure of the real interest rate for housing.

In this case, the real rate of mortgage interest averaged 3.8 percent from 1965 to 1969, 2.5 percent from 1970 to 1974, and -0.2 percent from 1975 to 1979. Since interest payments are tax-deductable, the after-tax real interest rate for housing purchases was even lower.

This analysis shows that even though nominal mortgage rates in the 1970's were high by historical standards, housing provided an excellent inflation hedge. A similar argument can be applied to investment in farmland or any other asset whose price increased faster than the relevant interest rate.

A positive real interest rate is becoming recognized as an important factor in dampening excessive speculation in real assets. In other words, what may appear to be a tight monetary policy with respect to nominal interest rates can be seen as expansionary if real interest rates drop too low. (*Paul T. Prentice (202) 447-2317*)

New Price Index Premieres: PRFFC

In the June issue of *Agricultural Prices*—released by the USDA's Crop Reporting Board—a new index was introduced: prices received by farmers for farm food commodities (PRFFC). This index is similar to that of farm prices for all farm commodities (PRAFC), except that nonfood items—such as cotton and tobacco—have been removed.

The new PRFFC index is an aggregate of eight indices of farm commodity prices. It is constructed using weights based on cash receipts data for 1971 to 1973, the same data used to derive weights for the index of all prices received by farmers. The commodity groups included in the new index are shown in the accompanying table, along with the percentage weights used for the PRFFC index as well as the PRAFC index.

Weights Used in Constructing Indices of Farm Prices

Commodity	Weight in PRAFC Index	Weight in PRFFC index
	Percent	
Meat animals. . .	37.2	48.3
Poultry and eggs.	7.5	9.7
Dairy products .	11.1	14.4
Food grains . . .	7.2	9.4
Fruits.	4.5	5.9
Commercial vegetables . . .	4.1	5.3
Potatoes, etc . .	1.8	2.3
Oil crops (food)[1]	3.6	4.7
Oil crops (nonfood)[1] . .	5.6	–
Other nonfood[2] .	17.4	–

[1] Based on supply and utilization data and prices from 1971 to 1973. [2] Includes cotton, tobacco, feed grains, and hay.

Except for the weight used for oil crops, weights in the PRFFC index have been obtained directly from those in the PRAFC index. In the new index, the weight for oil crops has been adjusted to include only that portion of oil crops used for food. The portion of total receipts derived from nonfood meal, seed, feed, and residual has been subtracted. The new PRFFC index is based on 1967=100.

For the Latest on 1980 Crops. . . .

As the growing season progresses and harvesttime approaches, the Crop Reporting Board will be issuing official monthly updates on acreage, yield, and production for 1980 crops. To help *Agricultural Outlook* readers anticipate the most significant of these upcoming estimates, the major contents of the *Crop Production* reports for August and September are detailed below.

August 11:
Indicated area harvested, yield, and production as of August 1 of corn for grain, all wheat, winter wheat, durum and other spring wheat, oats, barley, rye, flaxseed, cotton, rice, hay, sorghum for grain, dry edible beans, dry edible peas, soybeans, peanuts, summer potatoes, sweetpotatoes, tobacco, sugarbeets, and sugarcane. Also included will be indicated production of wheat by classes, pears, grapes, olives, prunes and plums, walnuts, filberts, and pecans.

September 11:
Indicated area harvested, yield, and production as of September 1 of corn for grain, all wheat, winter wheat, durum and other spring wheat, oats, barley, flaxseed, cotton, rice, sorghum for grain, dry edible beans, dry edible peas, soybeans, peanuts, summer potatoes, sweetpotatoes, tobacco, sugarbeets, and sugarcane. Also included will be indicated production of wheat by classes, pears, grapes, olives, prunes and plums, walnuts, filberts, and pecans.

To order a single copy of *Crop Production*, or to be placed on a mailing list for the report, send your name, address, and zip code to: Crop Reporting Board, USDA, Room 0005-South Building, Washington, D.C. 20250.

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Agricultural Economy

During the last half of June, livestock and poultry prices recovered sharply from the depressed levels that prevailed through much of the first half of 1980. This recovery brought prices near or above year-earlier levels.

Producers have started cutting back livestock and poultry production in response to the low prices and depressed cash receipts of the first half. The last 6 months of 1980 will likely see prices and cash receipts in the livestock and poultry sector moving above year-earlier levels.

In contrast to the weakness in the livestock sector, overall crop prices have held relatively steady so far this year. Bolstered by a substantial gain in marketing volume, cash receipts for crops consistently exceeded year-earlier levels in the first half.

The crop picture for the second half of 1980 is more uncertain than that for livestock. Although the acreage planted to crops is up a little more than 3 percent from last year, the total domestic supply of major crops for the 1980/81 marketing year is expected to be near or below the 1979/80 supply.

Last year, prices of some of the major crops strengthened through the summer in anticipation of a strong export market. This year, grain prices will again be sensitive to crop prospects both here and abroad.

World grain production is expected to rise from 1979/80's reduced harvest, with output of coarse grains possibly reaching a record 755 million tons. If present prospects for world production hold up or strengthen as harvest approaches, grain prices would likely weaken somewhat late this summer. On the other hand, a deterioration of world crop prospects would likely strengthen prices.

The above normal temperatures that prevailed in Texas in mid-June intensified and spread through most of the central United States the last week of June and in early July. So far, in terms of the national crop and livestock industries, damage has been scattered and relatively light. However, some poultry producers in Arkansas suffered heavy losses of both broilers on feed and broiler hatchery stock due to the heat.

Livestock and crops are being stressed by the heat, but livestock losses to date are small and permanent damage to crop yields has been slight. However, if the hot, dry weather continues, losses of livestock and damage to crop yields will mount significantly.

LIVESTOCK

Total meat production (red meat plus broilers and turkeys) in the second quarter topped year-earlier output by about 7 percent. This increase, along with weaker demand caused by the developing recession, considerably reduced farm prices for livestock and poultry in the second quarter.

This price weakness apparently bottomed out in late May and early June. Farm prices for livestock and poultry strengthened dramatically in the last half of June, and by the end of the month they stood near or above year-earlier levels.

Prices for barrows and gilts at Omaha averaged $42.59 per cwt. the first week in July 42 percent above the $30 average of the first week in June. Choice steer prices increased 7 percent from $64.52 to $68.88, and broiler prices at New York rose 18 percent.

During the second half of 1980, livestock prices are expected to average significantly above a year earlier. It will take through the end of the year to work through the large supplies of market hogs on hand on June 1. The supply of fed beef will be well above a year earlier and first-half 1980 levels as well.

Cold storage holdings of beef were down 33 percent from a year ago on May 31, and the potential for movement of beef into cold storage will be a positive factor in the market for the remainder of the year. On the other hand, weaker demand resulting from the recession and reduced real incomes will exert downward pressure on livestock prices.

Livestock Producers React to Large Supplies, Weak Prices

Livestock producers are responding to the large supplies by cutting production Although the December-May pig crop was up 5 percent, the bulk of the increase came from December-February farrowings. Pigs saved during March-May exceeded year-earlier levels by 1 percent. Therefore, by the fourth quarter of the year, hog slaughter will be about the same as a year earlier.

Moreover, the June 1 inventory of breeding sows was 8 percent below a year ago. June-August farrowing intentions are down 9 percent from the same period in 1979, and 6 percent below those indicated by farmers on March 1, 1980. If these intentions are carried out, hog slaughter can be expected to decline significantly early in 1981.

Cattle feeders are also responding to low returns. On June 1, the number of cattle on feed was down 11 percent from a year ago and down 14 percent from June 1, 1978. Placements of cattle on feed in May dropped 13 percent from a year-earlier—the eleventh consecutive month of year-to-year declines.

Layer numbers are below a year ago, but an increased rate of lay kept egg production above 1979 levels early this year. However, egg production is expected to fall below a year ago this summer as the rate of lay drops. Hatch of egg-type chicks is down, so egg production can be expected to fall further from year-earlier levels later in the year. Egg sets for broiler-type chicks are also down, indicating that broiler production will also decline from year-ago levels later in 1980.

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Also affecting the livestock sector are pasture and range conditions, which are worse than in 1979 and below the 1969-78 average as well—particularly in the Northern Plains and parts of the Southwest. Poor range conditions may cause some animals to move to market earlier than normal, possibly creating larger supplies of feeder cattle later in the year. However, pastures would have to deteriorate a great deal more for this factor to substantially affect beef supplies. At the present time, that prospect appears unlikely. *(AO Economics Staff (202) 447-2317)*

Hog Producers To Reduce Production

Record second-quarter pork production, year-to-year increases in beef and poultry production, and weaker consumer demand for meat caused April and May hog prices to drop to their lowest levels since June 1974. But as hog slaughter declined seasonally in June, prices rose to the low $40's, up from the low $30's at the beginning of the month. Although it is unlikely that hog prices can be maintained above $40 per cwt. very long, they are unlikely to fall to the low $30's again this year.

The June 1 inventory of hogs and pigs on farms in the 50 States suggests that the lowest prices are past and that prices may be considerably higher than a year earlier by the first half of 1981. The inventory was estimated at 65.9 million head, up 1 percent from a year earlier and the largest June inventory since records began in 1964.

The number of market hogs was 3 percent larger than a year ago, but significant differences existed in the various weight groups. The number of market hogs over 120 pounds on June 1 (source of hog slaughter for June-August) were up 7 percent from a year earlier. Pigs in the 60-119 pound weight range (which will reach slaughter weights in September and October) were up 4 percent, and the number of pigs under 60 pounds was virtually the same as in the June 1, 1979 inventory. Thus, slaughter may continue at record levels through this summer but decline from year-earlier levels by yearend.

The number of hogs kept for breeding was down 8 percent, and hog producers reported intentions to farrow 8 percent fewer sows during June-November 1980 than a year ago. In the 14 States for which quarterly intentions are provided, producers indicated farrowings would be down 9 percent during June-August and down 10 percent during September-November. If June-November farrowings are near intentions, first-half 1981 pork production may decline about 10 percent from 1980 levels. This decrease is not likely to be offset by larger beef or poultry output. Consequently, total meat production may decrease in the first half of 1981.

Although hog slaughter is expected to be above year-ago levels for most of the second half, supplies of competing meats may decline from last year's levels, which would tend to increase the demand for pork. However, reduced real incomes and a higher rate of saving by consumers may dampen consumer demand for all meats. *(Robert D. Remmele (202) 447-8636)*

CROPS

Average farm prices for the major crops held relatively steady during the first half of the year and, except for soybeans, were above a year earlier—particularly during January-March. For all crops, farm prices during the first half averaged about 1 percent higher than last year. This, plus a large increase in marketing volume pushed cash receipts considerably above a year earlier.

Grain prices are expected to hold relatively stable for the next month or two but will remain sensitive to crop developments. June 1 stocks of grains were ample, and total acreage planted to principal crops this year was up 3 percent. However, yields will be below last year's records.

World grain production is expected to increase from 1979/80's reduced harvest. Coarse grain production may reach 735 million tons, and world wheat production may exceed the trend projection of 434 million tons. If the possibility for large world crops remains strong and prospects for domestic crops continue good, some weakness in crop prices would be likely this summer. However, if crop prospects deteriorate here and abroad, prices likely would strengthen. *(AO Economics Staff (202) 447-2317)*

Soybean And Corn Stocks At Record High

On June 1, stocks of soybeans and corn stood at record levels for this time of year, and were up 47 and 11 percent, respectively, from a year ago. Although sorghum, oats, and barley stocks were below year-earlier levels, total feed grain stocks rose due to a large increase in corn stocks.

Flaxseed and rye stocks on Juoe 1 also were up from a year ago– flaxseed by 89 percent and rye by 37 percent. Total wheat stocks dropped about 3 percent, but Durum stocks fell 33 percent. The general increase in stocks largely reflects record 1979 production as stocks rose despite increased domestic use and exports.

To get a true perspective on June 1 grain stocks, allowance must be made for the quantity of grain tied up in the farmer-owned reserve. A total of 887.6 million bushels of corn were in the farmer-owned reserve program this year, compared with

Grain Stocks

	Corn	Sorghum	Oats	Barley	Feed Grains	All Wheat	Durum Wheat	Rye	Soybeans	Flax-seed
	Million bushels				Million metric tons	Million bushels				
June 1, 1979	3,232.2	323.2	286.7	228.7	99.5	924.7	85.8	9.7	527.3	2.8
April 1, 1980	4,780.0	394.4	343.6	260.7	142.1	1,225.4	85.8	16.2	1,184.1	7.6
June 1, 1980	3,586.4	275.9	239.4	191.5	105.8	901.0	57.4	13.3	773.9	5.3
June 1, 1980 compared to June 1, 1979										
Quantity	+354.2	-47.3	-47.3	-37.2	+6.3	-23.7	-28.4	+3.6	+246.6	+2.5
Percent	+11	-15	-16	-16	+6	-3	-33	+37	+47	+89
June 1, 1980 compared to April 1, 1980										
Quantity	-1,193.6	-118.5	-104.2	-69.2	-36.3	-324.4	-28.4	-2.9	-410.2	-2.3
Percent	-25	-30	-30	-26	-26	-26	-33	-18	-35	-30

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only 336.1 million bushels a year ago. Thus, free stocks of corn on June 1 totaled 2.7 billion bushels, compared with 2.9 billion last year. Moreover, another 7.9 million bushels of corn moved into the farmer-owned reserve during the first week of July.

Similarly, the farmer-owned reserve of sorghum this June totaled 74.8 million bushels, up from 55.5 million a year earlier. This left free stocks of sorghum about 25 percent below a year ago. Oats is in call status, and barley is in release status; but the combined stocks of these two feed grains on June 1 were substantially lower than last year. Consequently, marketable stocks of feed grains, at current prices, are much tighter than last year at this time.

The farmer-owned reserve held 259.9 million bushels of wheat on June 1, compared with 124.8 million a year ago. So free stocks of wheat—at 641 million bushels—were 20 percent below the level of June 1979. During the first week of July, another 3.5 million bushels of wheat moved into the farmer-owned reserve. As a result, free market stocks of wheat are now also relatively tighter than a year ago.

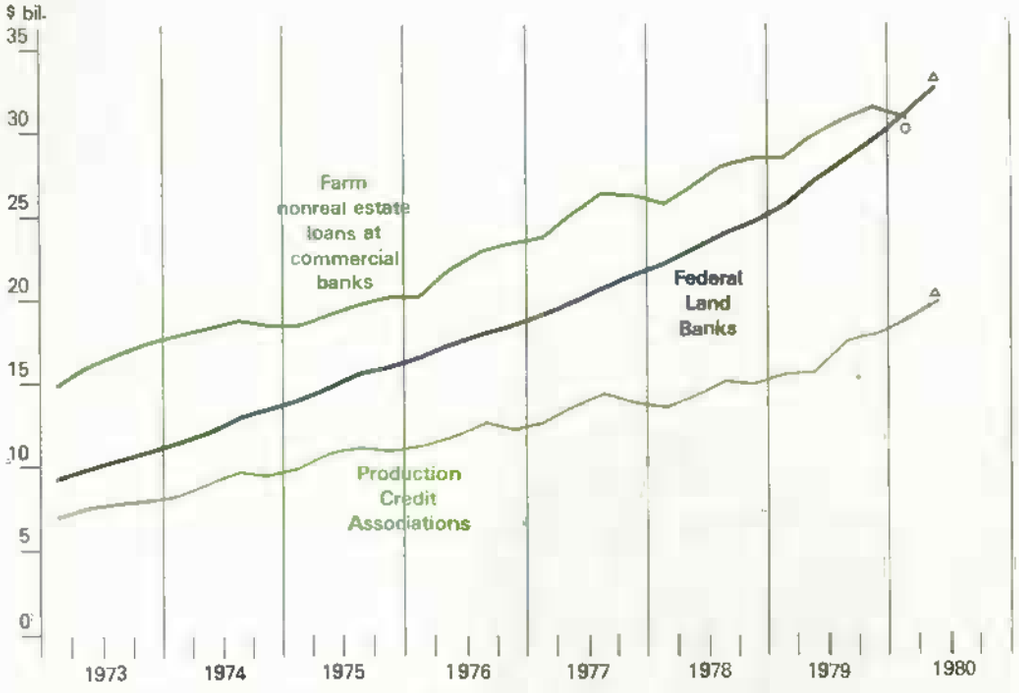
Disappearance of grain and soybeans between April 1 and June 1 was at a high level. In April and May, corn stocks fell by almost 1.2 billion bushels, soybeans by 410 million, and wheat by 324 million. Disapperance was also large between January 1 and April 1. During January-May, overall use exceeded the year-earlier level by 15 percent for wheat, 7 percent for corn, and 15 percent for soybeans.

Corn stocks in all positions on June 1 totaled a record 3.59 billion bushels. Farm stocks totaled over 2.49 billion bushels, up 10 percent from last year, while off-farm stocks, at 1.09 billion bushels, were up 13 percent.

Soybeans in all storage positions amounted to a record 774 million bushels on June 1, with both farm and off-farm stocks reaching record highs. Farm stocks of 398 million bushels were 64 percent greater than last June 1. Off-farm stocks totaled 376 million bushels, up 32 percent.

Old crop wheat stored in all positions was reported at 901 million bushels. Farm stocks stood at 377 million bushels, 42 percent of the total, compared with 485 million bushels, or 52 percent of the total, last June 1. Off-farm stocks amounted to 524 million bushels, 19 percent more than last year's 440 million. *(Janet Livezey (202) 447-8444)*

Agricultural Loans Outstanding, Selected Lenders



Data are quarterly averages. △April 1980. ○Preliminary.

Fruits and Vegetables

During the first quarter of 1980, the market for fresh vegetables was marked by generally ample supplies and sharply lower prices than last year; however, second-quarter prices were somewhat above year-earlier levels due to weather-delayed plantings of some items, which produced week-to-week supply variations.

Stocks of canned vegetables have been large and wholesale prices low; nevertheless, disappearance has risen only slightly from a year earlier. Movement of frozen vegetables is also slightly higher than a year earlier, and stocks were 8 percent above a year ago as of May 31.

Acreage contracted for vegetables for freezing this summer is down moderately from a year ago, and the total pack is projected to be 10 percent smaller this season than last. If supplies of frozen vegetables drop as projected, prices may move up in the fourth quarter.

Production of citrus fruits is much larger this season than last, while noncitrus output is expected to be mixed. The Mount St. Helens eruption appears to have had less effect on fruit production than was earlier anticipated.

In general, cash receipts for fruit producers are expected to be up from last year.

FARM CREDIT USE UP

Total farm loans outstanding rose more in the first quarter of 1980 than in the same quarter of 1979. Increases in loans made by the Farm Credit Administration more than offset a slight decline in those from commercial banks. This increase would not be expected unless there had been a major upward shift in the demand for capital. Increased production costs rather than prospects for improved returns created the increased demand for loans this year.

Total income for a majority of farm families, because they are more dependent on off-farm income than onfarm income, will be more influenced by the recession than by the outlook for net farm income.

Interest on Farm Loans Fluctuates Less Than in General Economy

Changes in interest rates to farm borrowers tend to lag behind the prime rate charged by major banks. Rural banks, which make agricultural loans, tend to be somewhat insulated from central money markets- although considerably less so than in past years—thus their interest rates generally increase more slowly than those of big city banks. The Farm Credit Administration bases loan rates on the average cost of borrowed funds, which helps prevent

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loan rates from changing as rapidly as elsewhere in the economy.

As interest rates in the general economy move downward, the lag in farm credit interest rates is shorter than when overall interest rates move up. The Farm Credit Administration tends to shorten maturities of the bonds it sells to acquire funds when interest rates are high. With a lower average cost of funds than the going interest rate in the general economy, the Farm Credit Administration can pass on this savings to farm customers.

Although credit was tight through much of the first half of the year, most lenders had sufficient funds to service regular customers. Farm mortgage loans were more difficult to obtain, with most of the major life insurance companies withdrawing from the market; however, by June the life insurance companies were reentering the farm real estate lending market.

Long-Term Resilience Seen in Agricultural Economy

This year's large increases in production expenses (see special article, "Spotlight on 1980 Production Costs") have created a need for more credit. However, this factor alone would not increase the rate of lending in the manner that has occurred if lenders did not feel that cash flow in the agricultural economy was sufficient to insure loan repayment over the longer term.

World demand for agricultural commodities increased rapidly during the 1970's, and the longer term outlook suggests it is likely to continue to do so in the 1980's. There is no longer a great deal of new low cost, highly productive land to develop either here or abroad. Thus, world food needs along with domestic requirements are likely to require the present productive capacity of the U.S. agricultural economy, barring dramatic yield gains or imposition of stifling international trade restrictions.

Land values have continued to rise from year-earlier levels, improving the debt-to-equity ratio of most farmers. As of February, land values were up from a year earlier, although high interest rates have reduced the overall rate of increase in recent months. Reduced interest rates should improve the prospects for farmland values. For 1980, the overall increase in farmland values is expected to range from 5 to 10 percent.

Change in Land Values
(Chicago Federal Reserve District)

State	Change 1/1/80 to 4/1/80	Change 4/1/79 to 4/1/80
	Percent	
Illinois	-3	+2
Indiana	-2	+10
Iowa	-4	+11
Michigan	-1	+13
Wisconsin	+3	+12
District	-2	+9

Source: Federal Reserve Bank of Chicago Agricultural Letter.

Farmers Alter Input Mix To Counteract Rising Costs

Farmers' ability to alter the production input mix as a way of reducing costs is an important tool for improving cash flow and net income in the short run. Farmers can simply choose to use less of a particular input, make substitutions, or change the timing of input purchases. There is strong evidence that farmers are doing all three.

A drop in fertilizer use is primarily a decision to use less of an input, although some phosphate and potash but no nitrogen will carry over in the soil from year to year. In March and April, fertilizer shipments to farmers in the 19 States for which data are available were down 23 and 8 percent, respectively, from year-earlier levels. The July 1979-March 1980 and July 1979-April 1980 totals showed shipments up 9 and 5 percent, respectively, from the same periods a year ago: these increases are entirely due to larger shipments early in the fertilizer year.

Machinery purchases are also down this year. In April, unit tractor sales were off 47 percent from a year ago, and unit combine sales fell 45 percent. Farmers tend to make equipment purchases in years when cash flow is good and investment credits on purchases can be used to reduce the higher tax liability on higher-than-normal incomes.

Less hired labor is employed on farms than a year ago, while more farm family and operator labor is being used. This may be a substitution designed to reduce cash expenditures.

Off-Farm vs. Onfarm Income

Off-farm income plays an important part in determining the financial strength of farmers. Over two-thirds of all farm units receive more than half of their income from off-farm sources. Thus, the majority of farmers are more closely tied to the general economy than to the agricultural economy as measured by net farm income statistics.

Off-farm income can be an important source of financial stability for farm enterprises during periods of reduced net farm income. However, the recession may cut deeply into off-farm income this year, resulting in greater instability.

Farmers who depend on the sale of farm commodities for most or all of their income will be most severely affected by reduced net farm income. Those in the most financial difficulty are deeply in debt as a result of recent expansion. New entrants to farming who lack the advantage of accumulated capital in land and other assets would fall into this category.

This year's depressed commodity prices have not been equally distributed throughout the agricultural economy. Those in the worst income position are cattle feeders and pork and poultry producers. *(Ted Feitshans (202) 447-6860)*

Upcoming Situation Reports

Situation reports that will be released by USDA's World Food and Agricultural Outlook and Situation Board this month are:

Title	Off Press
Fats & Oils	July 24
Dairy	July 28
Wheat	July 30
Vegetable	Aug. 8
Ag Supply & Demand	Aug. 15

Single copies of the above reports can be obtained by writing to: ESCS Publications, Room 0054-South Building, USDA, Washington, D.C. 20250.

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Spotlight on 1980 Production Costs

by Robert E. Olson
National Economics Division[1]

In 1980, per-acre production costs -excluding land--are projected to increase 24 percent from 1979 for corn, 21 percent for soybeans, 23 percent for wheat, and 18 percent for cotton. These cost projections reflect the current outlook for input price changes during the 1980 production season.

The increase in per-acre costs for cotton is projected to be smaller than for other crops because of the difference between 1979 yields and those assumed for 1980. Last year, cotton yields averaged 510 pounds of lint per planted acre, whereas the trend yield for 1980 is 452 pounds. This difference would reduce ginning costs by almost $5 an acre. Excluding ginning costs, the projected increase in variable costs for cotton is 21 percent, much closer to the increases projected for other crops.

National average costs are based on methods that provide total cost accounting for crop production on an average acre of land.[1] Data for the 1980 projections were obtained from several sources. The main source was a survey of 5,460 producers, conducted in March and April 1979, on cropping practices, input use, and machinery costs for the 1978 crop. Costs of inputs were updated based on current USDA projections of prices paid by farmers for inputs.

The estimates presented here are part of a comprehensive program of research on costs of production.[2] The Firm Enterprise Data System (FEDS) was used to process and evaluate the data.[3]

Fuel, Motor Supplies, Fertilizer, and Interest Rates Lead Cost Increases

The index of fuel prices—including diesel, gasoline, electricity, natural gas, and LP gas--was projected to rise 41 percent in 1980. However, for projecting fuel costs for crop production during the 1980 season, a 60-percent increase was assumed. This adjustment was made because prices of gasoline and diesel fuel—which are more important in crop production than in the overall index—were forecast to rise more than the other components of the fuel index.

Farm motor supplies were projected to increase 40 percent in price and fertilizer costs 26 percent. These inputs are mainly

1980 Production Costs for Crops Up Sharply

	Corn		Soybeans		Wheat		Cotton	
	1979	1980	1979	1980	1979	1980	1979	1980
	Dollars per acre							
Nonland cost								
Variable	111.89	139.60	64.09	77.38	44.97	55.70	200.26	231.69
Machinery								
Ownership	37.91	46.99	31.57	38.99	28.15	34.76	68.16	84.46
Overhead	7.92	8.98	8.34	9.46	7.95	9.02	9.27	10.51
Management	15.77	19.56	10.40	12.58	8.11	9.95	27.77	32.67
Total	173.49	215.13	114.40	138.41	89.18	109.43	305.46	359.33
Land allocation[1]								
Current value[2]	107.38	123.43	93.48	105.66	60.30	73.25	69.55	75.42
Average acquisition value[3]	58.89	61.58	54.61	56.23	31.31	36.22	47.14	46.87

1979 preliminary, 1980 projected.

[1] Based on tenure arrangements reported in 1978 survey of producers—average of cash rent, share rent and charges for owner-operator land. [2] Reflects current year rents, land values, interest rates, and land tax rates [3] Reflects current year levels except 35-year average land value used in calculating charge for owner-operator land.

[1] The averages conceal variations from the mean. Costs vary significantly from farm to farm and across States and regions. This variability among farms is attributable to such factors as climate, soil types, and the varying managerial skills of producers. The size of farm is also an important factor, as some operators achieve cost reductions through using machinery more efficiently, realizing quantity discounts, and securing advantageous marketing arrangements. These cost estimates are indicative of longer-run return to resources, but are not adequate indicators of total farm income or farmers' current cash situation.

[2] For complete information on production costs for 10 major crops, see *Costs of Producing Selected Crops 1978, 1979 Preliminary, and Projections for 1980*, Senate Print, 1980.

[3] FEDS is under the direction of Ronald D. Krenz, National Economics Division, stationed at Department of Agricultural Economics, Oklahoma State University, Stillwater, Oklahoma 74074. Gail Garst of the FEDS staff carried out the projections base on input price assumptions develop by NED analysts and statistical trend yields.

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1980 Input Prices Higher

Item	1979	1980[1]	Increase 1979 to 1980
	1910-14=100		*Percent*
Fuels and energy	488	688	41
Farm motor supplies	406	567	40
Fertilizer	287	361	26
Tractors and self-propelled machinery	1,466	1,642	12
Consumer price index	683	766	12
Agricultural chemicals	415	456	10
Other machinery	1,332	1,450	9
Wage rates	2,247	2,452	9
Autos and trucks	1,343	1,455	8
Building and fencing	1,099	1,184	8
	1978 = 100		
All machinery[2]	111	122	10
Custom rates[3]	108	115	6
Cotton ginning costs[4]	106	112	6
Seed	105	110	5
	1977 = 100		
Farm overhead costs[5]	118	128	8

[1] Projected as of May 1980 when final cost of production estimates were made. [2] Simple average of tractors and self-propelled machinery and other machinery. [3] Based on index of farm services and cash rent. [4] Cotton ginning charges for 1978 crop based on data reported in *Charges for Ginning Cotton, Costs of Selected Services Incident to Marketing, Information, 1978-79 Season*, ESCS-64, U.S. Department of Agriculture, July 1979. Costs for 1979 and 1980 based on 6 percent annual rates of increase. [5] Based on composite of: household operation, making up 39.4 percent of the total; wages, 13.6 percent; auto and auto supplies, 23.6 percent; taxes, 0.6 percent; items used for production 12.3 percent; and building and fence repair, 10.5 percent.

responsible for driving production cost estimates far above the average rate of inflation in the general economy.

Short-term interest rates will average much higher in 1980 than last year. Interest rates charged by agricultural lenders are increasingly sensitive to conditions in national money markets and more quickly reflect changes in overall rates in the rest of the economy than in the past.

The annual interest rate on production credit loans was projected to average 14 percent, about 32 percent higher than in 1979. Interest charged on operating capital will rise even more than short-term interest rates this year because of cost increases for fuel, fertilizer, and other inputs. For example, for corn, the calculated per-acre interest charge was 62 percent higher than in 1979. Long-term interest rates were assumed to average 11 percent in 1980, 20 percent above the 1979 average.

Machinery prices were projected to increase 10 percent in 1980. However, the rise in machinery ownership costs was forecast at 24 percent due to the sharp rise in interest rates.

Since farmland prices were forecast to average 5 to 10 percent higher in 1980 than in 1979, the cost of production calculations assumed an average of 7.5 percent. In February, the average price for farmland was reported to be 14 percent higher than a year earlier, and prices are still rising in some parts of the country.

Considerable uncertainty surrounds the outlook for land prices this year because some reports indicate level or declining land prices, particularly in those areas (such as the Upper Midwest and areas dependent on well water for irrigation) where farm return prospects have been severely reduced by the sharply higher fuel prices and interest rates. Cash rents which are combined with share rents and land ownership costs to estimate composite land charges—were assumed to increase about 6.5 percent in 1980.

Trend Yields for 1980 Below 1979 Results

Crop	1979 Actual	1980 Trend[1] Midpoint	1980 Trend[1] Range[2]
	Bushels per planted acre		
Corn	109.2	99.4	91.5 - 107.3
Soybeans	31.9	30.0	28.3 - 31.7
Wheat	32.5	31.0	28.9 - 33.1
	Pounds per planted acre		
Cotton	510	452	408 - 496

[1] Based on 15-year trends, 1965-1979. [2] Chances are 2 out of 3 that yields will fall within this range.

Trend Yields Assumed for 1980 Crops

Projections of per-acre yields are highly tentative as the final results depend on weather, insects, disease, and other natural factors that change throughout the production period. Yet, some assumption about future yields was necessary to estimate per-unit production costs. For this purpose, 15-year statistical trend yields (1965-1979) were calculated for each crop.[4]

Upward trends in wheat and soybean yields were moderate, and cotton yields showed no measureable upward trend during the period. Although corn yields varied considerably from year to year, there was a steady and steep upward slope in the trend, reflecting technological improvements and more intensive use of inputs.

Yield ranges reflect the crop's actual yield variance around the trend. Chances are 2 out of 3 that actual 1980 yields will fall within the ranges.

Per-Unit Costs Could Rise More Than Per-Acre Costs

The combination of higher per-acre costs and the possibility of yields declining to trend—as was assumed in making the 1980 projections—could result in substantially higher per-unit costs.

Last year, yields per planted acre were record high for corn, cotton, and wheat. The yields assumed for 1980 are down 10 percent from 1979 for corn, 11 percent for cotton, 6 percent for soybeans, and 5 percent for wheat. On the basis of these long-term trend yields, per-unit costs are projected to increase 36 percent for corn, 29 percent for soybeans, 32 percent for wheat, and 42 percent for cotton.

[4] Statistically-determined trend yields provide an objective basis for cost of production projections made before the effect of the current year's weather on yields is clearly established. Yield projections that adjust for currently foreseen growing conditions are appropriate for many kinds of near-term forecasts. However, because growing conditions can change rapidly, they are not well suited to projections of production costs determined on an annual basis.

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Food and Marketing

The Consumer Price Index (CPI-U) for May showed food prices rising 0.5 percent before seasonal adjustment. The farm value of foods climbed 2.5 percent from April to May, with prices for raw sugar and livestock causing much of the increase. Prices for fish and imported foods rose 0.7 percent.

The cost of food at home increased 0.5 percent in May, while prices for food away from home rose only 0.6 percent—the smallest monthly rise in this component since September 1979. This reflects some slowing in marketing cost increases, the recent decline in meat prices, and perhaps some slackening in consumer demand.

The moderate food price rises thus far this year have resulted primarily from severely depressed farm-level commodity prices, especially for meats and poultry. As a result, through May the farm value of the food market basket has been well below last year's average. It is not likely to surpass the 1979 level until the third quarter.

Retail food prices are still expected to rise 7 to 11 percent this year, with the current assessment indicating an 8.5-percent gain.

Retail Meat Prices Fell Again in May
Prices for beef, pork, and poultry in grocery stores continued to fall in May, reflecting the record amount of red meat and poultry being marketed. Egg prices also fell due to rising production and large supplies of competing high-protein foods.

Retail prices for cereals and bakery products were 1 percent higher in May than in April, reflecting recent sugar price increases, rice price rises earlier in the year, and higher marketing costs. Prices for sugar and sweets jumped 2.3 percent as increased world sugar prices (reflecting a global production shortfall this year) were passed through to the consumer.

Fresh fruit and vegetable prices also climbed significantly in May—4 percent—in part reflecting higher truck rates caused by fuel price rises earlier this year. Retail dairy products cost 1.7 percent more in May—partly a result of the April 1 increase in milk support prices. With most oilseeds in plentiful supply, retail prices for fats and oils increased only 0.5 percent in May.

Food Prices To Accelerate in Third Quarter
In the third quarter of 1980, the increase in retail food prices will likely accelerate to a double-digit annual rate. Even so, when compared with year-earlier levels, food prices will have risen less than nonfood prices.

The acceleration is anticipated because of a likely jump in the farm value component of food prices. In the third quarter, the farm value is expected to rise from its extremely low second-quarter level and will probably contribute more to food price rises than marketing costs.

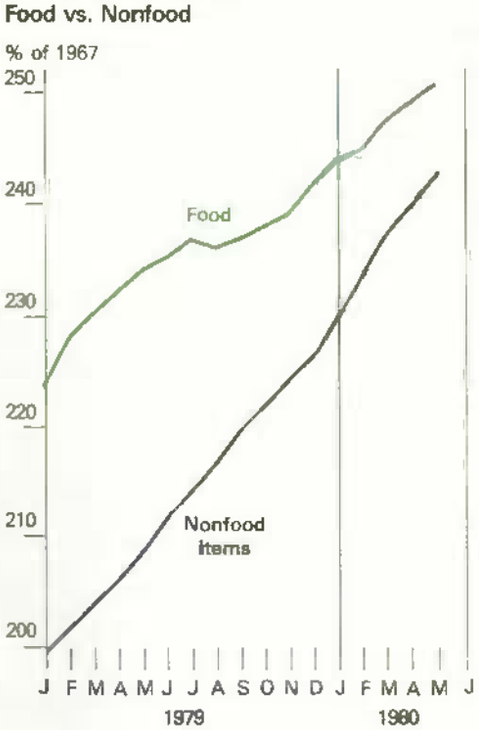
Most of this rise in farm value will affect meat and poultry prices, as recent increases in farm prices for cattle, hogs, and broilers are maintained in the third quarter. Food marketing costs may rise more slowly if the general inflation rate continues to ease, but they will be a significant contributor to higher food prices.

Fresh fruit prices will rise sharply in the third quarter. This will mainly reflect seasonal production patterns as the orange harvest slows, with apple supplies being drawn mainly from cold storage. Fresh vegetable prices, however, are expected to decline in the third quarter as the summer crops of many fresh vegetables, including lettuce and tomatoes, begin to be harvested.

Prices for sugar and sweets will climb significantly in the third quarter as world sugar price increases are passed through to retail products. This will also affect retail prices for soft drinks.

Price increases for fats and oils are expected to continue moderate in the third quarter, with the large supply of oilseeds resulting from last year's extremely large crops, especially soybeans, preventing any major price gains. Price increases for cereals and bakery products are anticipated to slow in the third quarter, mainly because of a moderation of the rise in marketing costs—the major component of retail prices for these foods. *(Paul Westcott (202) 447-8801)*

Consumer Price Index: Food vs. Nonfood



FOOD MARKETING COSTS
The marketing bill—a measure of processing and distribution costs for U.S. farm foods purchased by civilian consumers—is expected to increase 12 to 13 percent in 1980, about the same as last year. Nearly all of this double-digit rise can be traced to inflation-related business costs—primarily packaging, energy, and transportation.

Consumer purchases in food stores and eating places (plus the value of food served in institutions) may total around $260 billion this year—a jump of $21 billion over 1979. More than 95 percent of this increase will be caused by a higher marketing bill, which is expected to rise about $20 billion from last year's $162 billion.

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The farm value of retail foods may amount to about $78 billion, about $1 billion more than last year. The estimate of farm value has been revised downward due to lower-than-expected farm prices for red meats, poultry, and fats and oils.

The Marketing Cost Index[1] rose 13.7 percent in the first half of 1980 over a year earlier. Rising freight rates and producer prices of energy and packaging were the major contributors to the sharp rise. These price gains were partly offset by declining short-term interest rates and a modest 2.6 percent increase in water, sewerage, and communications service rates. The Marketing Cost Index is expected to moderate in the second half of 1980 as the general inflation rate slows.

Components of retail expenditures for farm foods

	1978	1979[1]	1980[2]
		Billion dollars	
Retail expenditures	212.4	238.8	260
Farm value	68.3	76.8	78
Marketing bill	144.1	162.0	182
Labor[3]	66.7	74.1	82
Packaging materials	17.7	19.8	23
Transportation and truck[4]	10.9	12.3	14
Corporate before taxes	9.1	10.2	10
Other[5]	39.7	45.6	53

[1] Preliminary. [2] Estimated. [3] Includes supplements to wages and salaries such as pensions and health insurance premiums. Also includes imputed earnings of proprietors, partners, and family workers not receiving stated remuneration. [4] Does not include local hauling charges. [5] Includes business taxes, depreciation, rent, advertising interest, energy, and numerous other costs.

Labor Costs Up, Productivity Down

Labor costs are forecast to rise 10 to 12 percent in 1980—nearly the same as last year. The increase will reflect rising unit labor costs and a gradual expansion in the volume of food marketed. In recent years, unit labor costs have increased more than hourly earnings as a result of declining labor productivity, especially in retail food stores and eating and drinking places.

From 1978 to 1979, according to the Bureau of Labor Statistics (BLS), labor productivity declined 0.3 percent in retail food stores and 5.0 percent in eating and drinking places. The sharp decline in labor productivity in eating and drinking places was due to a drop in real sales and a rise in hours worked. Although estimates are not available for many food manufacturing industries, preliminary data indicate that labor productivity in food manufacturing changed little from 1978 to 1979.

Thus, it appears that overall labor productivity in food marketing—as in the private nonfarm economy—declined in 1979 from 1978. During the first quarter of 1980, productivity in the private nonfarm economy fell 1.4 percent (annual rate) from the fourth quarter of 1979.

In April, hourly earnings of food manufacturing workers were 9.0 percent higher than a year earlier, while food wholesale workers' earnings were up 8.8 percent. Hourly earnings of food store employees rose 7.9 percent during the same period. Eating and drinking place employees' hourly earnings were up 7.0 percent.

Thus, hourly earnings have not kept pace with inflation (as measured by the CPI) in the last year. As real hourly earnings decline pressure could build for an acceleration of wage rates in late 1980 or 1981.

Packaging Costs Move Higher

Food packaging costs could rise 13 to 16 percent in 1980. The estimate of these costs has been revised upward due to the continuing price strength of paperboard and related products—which account for about 30 percent of total packaging costs. In June, producer prices of these products were about 22 percent higher than a year ago.

The rise in paperboard prices is due, in part, to higher prices of inputs such as woodpulp and residual fuel oil. In June, producer prices of woodpulp were 26 percent higher than a year earlier, and those of residual fuel oil were up 28 percent.

In June, producer prices of polyethelene resin the material used for plastic containers stood 24 percent above a year earlier. This large increase stems directly from the rapid price rise of crude petroleum, from which polyethelene resin is manufactured. With prices of other major packaging materials rising at or near the general inflation rate, producer prices of all packaging materials used in food manufacturing were up 18 percent in June from a year earlier.

Transportation Costs Affected by Fuel Prices

Transportation costs are likely to continue being pushed up by rising fuel prices and wages. In May, rail freight rates for farm foods reached a level 20 percent higher than a year ago, reflecting general freight rate increases and fuel surcharges.

In the first week of June, unregulated truck rates for hauling produce from Southern California to New York averaged 15 percent higher than a year ago. The cost of operating produce trucks rose 17 percent during the same period. During the last 3 weeks of June 1979, a truckers' slowdown temporarily disrupted shipping, causing an abnormally high shipping rate for producers. Rates for hauling produce tend to vary seasonally due to supply and demand conditions, whereas operating costs tend to rise steadily.

Energy Prices Keep Rising

In June, producer prices of energy used in food marketing stood 42 percent above a year ago. Electric power rates rose 20 percent, significantly above the annual rate of increase in recent years. Prices for electricity are expected to continue rising as electric generating firms pass through higher input prices, subject to regulatory constraints.

Corporate Profits Near 1979 Levels

Corporate profits for food manufacturers, as a percentage of sales, averaged 4.6 percent in the first quarter of 1980, the same as a year earlier. First-quarter profit margins for food retailers were near the 1979 average.

Although profit margins for corporate firms held near the 1979 level in the first quarter of 1980, they are likely to be squeezed by higher input prices and slackening demand—especially for the relatively higher priced food items. Nevertheless, overall aggregate corporate profits in 1980 are expected to be near the 1979 level. *(Leland Southard (202) 447-6860)*

[1] This index measures changes in employee wages and benefits and in prices of supplies and services used in processing, wholesaling, and retailing U.S. farm foods purchased for at home consumption.

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Commodity Highlights

Hogs
Record pork and broiler output, year-to-year increases in beef production, and declining real consumer incomes caused second-quarter hog prices to drop to their lowest level since June 1974. Farm prices for hogs averaged $30 a cwt., $5 less than in the first-quarter and $12 below a year earlier.

Hog producers sustained large losses during the spring. Prices have increased sharply this summer, but second-half returns may still not cover all production costs. The June 1 inventory of hogs and pigs on farms suggests slaughter will continue at record levels through this summer—5 to 7 percent higher than last summer. Hog prices will average in the upper $30's during the third quarter. Slaughter may be 1 to 3 percent smaller than a year earlier in the fall, so prices may increase $1 to $2 in a contraseasonal pattern.

Fed Cattle
Fed cattle marketings will decline this summer, reflecting reduced feedlot placements during the past couple of quarters. Fed cattle prices rose in June and early July, and are expected to average near $70 a cwt. in the second half—$3 to $4 above a year earlier. However, continuing large supplies of competing meats and a sluggish economy will limit price gains until later in the year.

Feeder Cattle
Prices for yearling feeder cattle are expected to increase from the second quarter's trading range of $70-$72 per cwt. to the mid-$70's during the summer. Large supplies of feeder cattle outside feedlots and the sizable losses of the past year will make cattle feeders cautious.

Cattle feeders are not expected to break into the profit column until late this summer. However, they may place more cattle on feed in the third quarter in response to improved feeding margins and lower interest rates.

Broilers
Broiler prices have strengthened recently because of increased seasonal demand and rising hog prices. For the first time since January, market prices have been exceeding the estimated cost of production. In the second quarter, the 9-city weighted average price was 41 cents a pound. Broiler chicks hatched during May and June numbered 3 percent less than a year earlier, and second-half 1980 production may drop 3 percent from 1979.

Turkeys
The wholesale price of 8-16 pound young hen turkeys in New York averaged 54 cents a pound in the second quarter, down from 59 cents in the first quarter. Large cold storage stocks of turkeys are contributing to the price weakness. Production was 18 percent above a year earlier in the spring, but possibly will be only 2 percent higher in the second half. Abundant supplies will likely hold prices well below year-earlier levels through the summer and fall.

Eggs
Prices have been below year-earlier levels since February, and they are expected to continue lower throughout most of 1980. Large supplies of competing high-protein foods plus a sluggish economy will hold prices down even with reduced egg production. Flocks are being culled heavily, but the remaining hens are the most productive, keeping the rate of lay high. Egg production is expected to be about 1 percent below a year-earlier this summer and fall.

Milk
Farm milk prices have eased seasonally thus far in 1980, but are averaging 8 percent higher than last year. Farmers received $12.50 per cwt. during June, a dime less than in May, 20 cents less than in March and April, and 30 cents less than in January and February.

During the winter, manufacturing grade milk prices (3.67 percent fat content) were about 15 cents above the support level, but since support prices were raised on April 1 they have been about 50 cents below. With large year-to-year gains in milk production and continued slow dairy product demand, manufacturing grade milk prices may not reach the support level for several months.

Dairy Products
By late June, wholesale prices of butter, nonfat dry milk, and American cheese still had not reached the higher CCC purchase levels effective April 1. The large output of dairy products along with sluggish sales have resulted in ample commercial stocks. With weak demand and high carrying charges for the ample inventories, any near-term price improvement will be limited. In addition, the CCC's current sellback policy (reselling dairy products when their market prices reach 105 percent of the original purchase price) will prevent any substantial price run-ups.

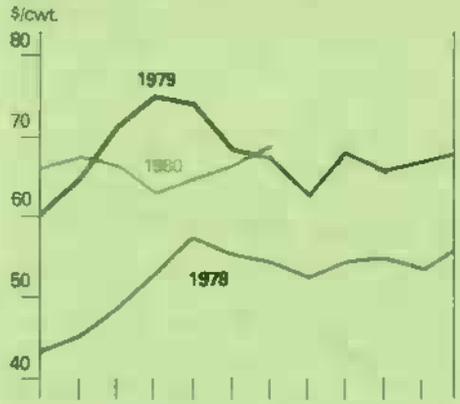
Crop Acreage
The area planted to principal U.S. crops totaled 357.4 million acres this year—3.4 percent more than the 345.6 million acres planted for the 1979/80 harvest. Food grain acreage increased the most, plantings of feed grains were in line with total plantings, and less acreage was put in oilseed crops.

Farmers seeded 1.5 million more acres to corn than they had planned in early April, but about a million fewer acres to soybeans. Favorable planting weather in May and low soybean prices relative to corn encouraged this switch. Spring wheat plantings were up slightly from earlier intentions even though weather conditions were poor in much of the spring wheat area. Plantings of cotton were down a half million acres from April plans—a surprisingdevelopment in light of this year's strong cotton prices.

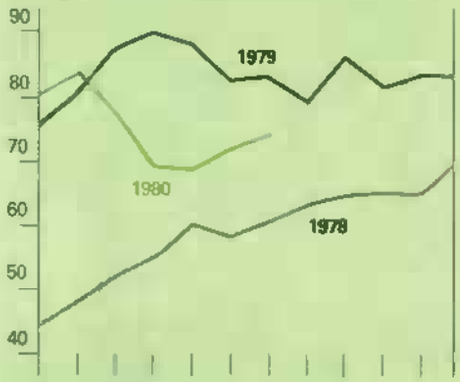
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Commodity Market Prices: Monthly Update

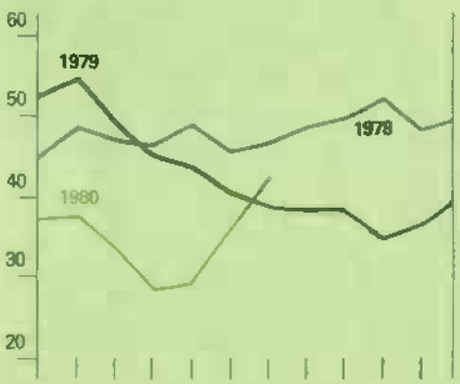
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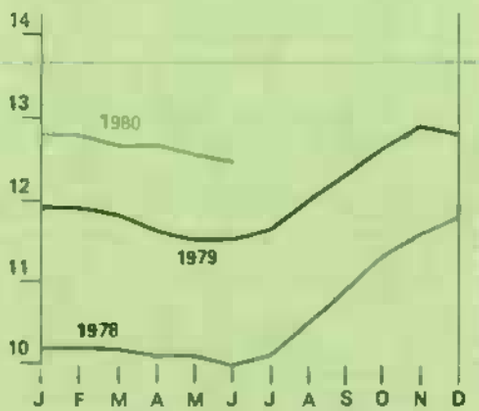
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Barrows and Gilts[□]

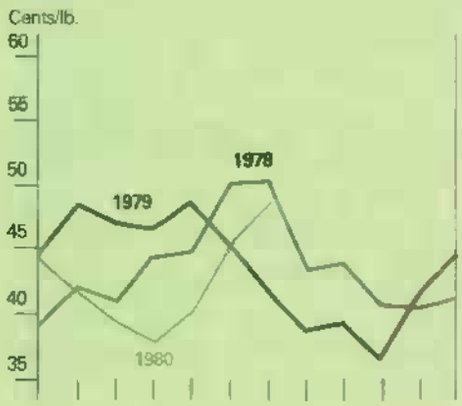


All Milk

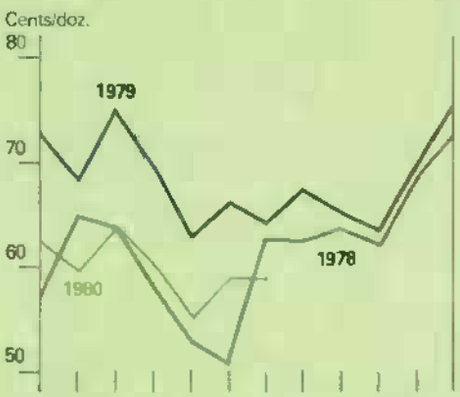


△Omaha ○600-700 lbs., Kansas City. □7 markets.
Note that all July 1980 prices are the first week average.

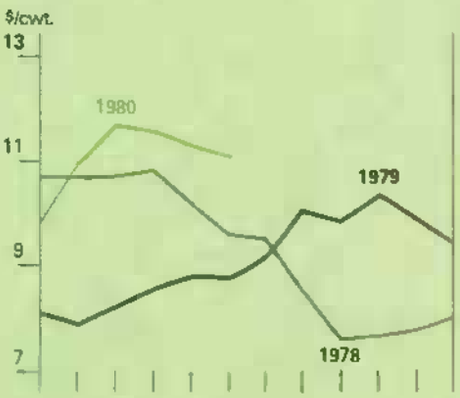
Broilers[△]



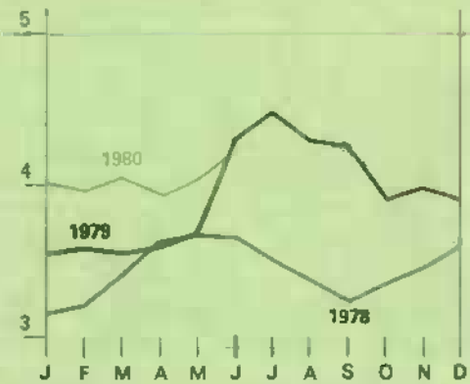
Eggs[○]



Rice (Rough)[□]

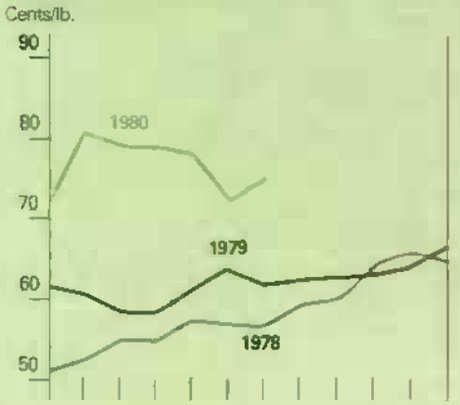


Sorghum Grain[□]

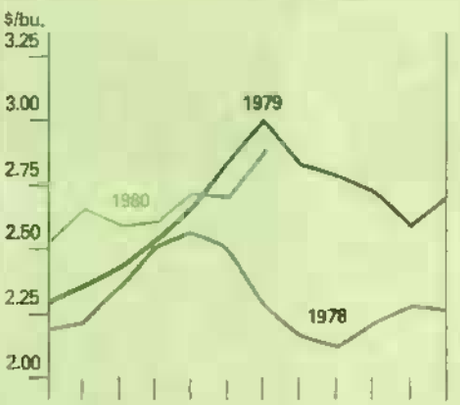


△Wholesale, New York. ○Grade A Large, New York.
□June is first half of month average.

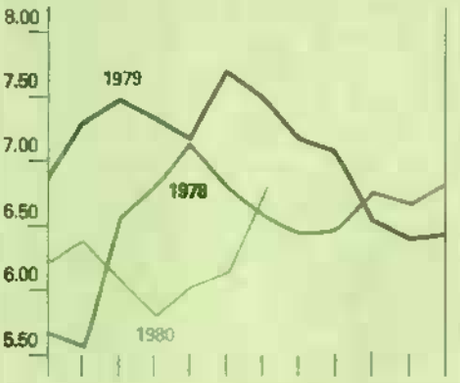
Cotton



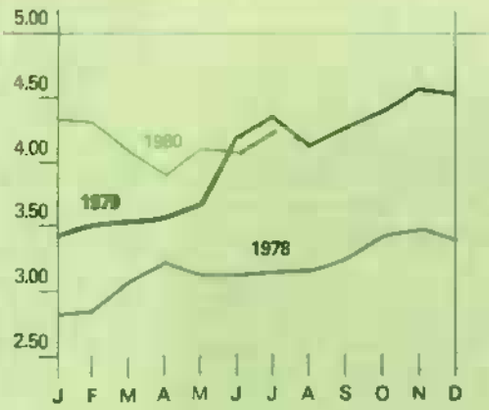
Corn



Soybeans



Wheat



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Larger Acreage For 1980 Harvests

Crop	Acreage Planted for Harvest		
	1979	1980	Percent Change
	Million Acres		
Food Grains	66.5	77.5	16.5
Wheat			
Winter	43.6	52.3	20.0
Spring	19.0	21.2	11.6
Rice	3.0	3.3	10.0
Rye	.9	.7	-22.2
Feed Grains	101.2	104.0	2.8
Corn	71.0	73.5	3.5
Sorghum	12.9	13.3	3.1
Oats	9.8	9.6	-2.0
Barley	7.5	7.6	1.3
Oilseeds	78.4	75.3	-4.3
Soybeans	70.5	69.2	-1.8
Flaxseed	1.0	.8	-20.0
Peanuts	1.5	1.5	-0-
Sunflower	5.4	3.8	-29.6
Cotton	12.4	12.8	3.2
Tobacco	.8	.9	12.5
Sugarbeets	1.1	1.2	9.1

Farmers expect to harvest 73.5 million acres of corn this year, 2.5 million above 1979. Plantings of soybeans for harvest amounted to 69.2 million acres, down from 70.5 million last year. At 73.5 million acres, the wheat area was up substantially from last year, while cotton plantings were up 0.4 million acres to 12.8 million.

Feed Grains

Despite record supplies, record exports of corn and grain sorghum and continued movement of grain into the farmer-owned reserve are helping to bolster feed grain prices. In April, farm prices averaged $2.36 a bushel for corn and $2.22 a bushel for grain sorghum. By mid-June, prices had risen to $2.43 and $2.37, respectively. Should exports continue at a record pace, further price increases could be expected until harvest.

Soybeans

Although soybean prices have increased $1 a bushel recently, they may not maintain all of this strength for the rest of the 1979/80 crop year and are expected to run below last summer's average of about $7 a bushel.

Exports in 1979/80 are expected to reach 850 million bushels, up 12 percent from last year. A slight reduction in the acreage planted to soybeans this spring will probably keep 1980 production slightly below last year's record 2.3 billion bushels. Strong exports and a smaller 1980 crop in prospect will keep soybean prices from declining further despite current projections for a record carryover of 380 million bushels.

Wheat

For much of 1979/80, wheat market prices averaged about a dollar a bushel above a year earlier, but this difference had narrowed significantly by June. In May, prospects for a large winter wheat crop and slowing export sales held wheat prices relatively stable this year, compared with a 15-percent increase from May to June last year.

Farm prices during the Southern Plains harvest averaged around $3.45 a bushel, down 30 cents from last June. Prices for the remainder of this summer will reflect continued strong exports, a bumper winter wheat crop, and a reduced spring wheat harvest. On balance, farm prices for 1980/81 are expected to average between $3.45 and $4.15 a bushel, compared with an estimated average of $3.82 in 1979/80.

Rice

In early summer, farm prices were about $11 a cwt., nearly $2 above year-ago levels. This year's stronger prices largely reflect record disappearance in both domestic and foreign markets. In coming months, prices will be influenced by prospects for the 1980 crop and large carryover stocks. Acreage in 1980 is up 7 percent, mainly because of the strong prices at planting time. Favorable weather could easily produce another record crop, which would keep prices below the levels of early summer. Currently, USDA expects 1980/81 farm prices for rice to average between $9 and $12 a cwt.

Fruit

If June forecasts are realized, fresh fruit will be in large supply this summer. California nectarine production is forecast at a record 185,000 tons—8 percent larger than last year. Early in the season, prices were sharply higher than a year ago, but they have since declined as supplies increased. The season average price for nectarines is expected to fall below last year's level.

The 1980 peach crop is forecast to total 3 percent less than last year. Excluding California clingstones, U.S. peach production is expected to be only 1 percent smaller. Early-season f.o.b. prices for fresh peaches have been mixed. With sharply smaller production in the Southern States, peach prices will be relatively high. However, larger supplies from some major producing States in late August and September will keep prices near last year's low levels at that time.

Plum production in California is forecast to rise 3 percent from 1979. Early shipping point prices were moderately above year earlier levels, but prices are expected to decline as the season progresses.

Potatoes

The final forecast for the Nation's spring potato production placed the crop at 17 million cwt., a record low. The small crop resulted from fewer acres harvested and average yields 8 percent lower than last year's record. The May index of prices received for potatoes, sweetpotatoes, and dry beans was 9 percent higher than in April and 10 percent higher than a year ago, primarily because of stronger potato prices.

Vegetables

Supplies of fresh vegetables for the summer quarter (July-September) are estimated at 46.5 million cwt., 2 percent below last year. Production of cantaloups, watermelons, and honeydew melons is projected at 20.1 million cwt., 5 percent less than last year. If weather continues favorable through the summer, prices for most fresh vegetables and melons will decline seasonally from spring levels, but will average moderately higher than a year ago.

Coffee

The first estimate of the 1980/81 world coffee crop is 79.6 million bags (60 kilograms each), just below the 1979/80 total. Brazil's recovery from the severe frost of 1975 was set back by the 1979 freeze, resulting in a 1980/81 output now estimated at 21 million bags, 1 million less than in 1979/80. Prior to the 1979 freeze, Brazilian output was expected to show a hefty increase in 1980/81.

Larger production in the Dominican Republic, Costa Rica, and Uganda will partly offset the shortfall in Brazil. Total exportable supplies (the difference between domestic production and consumption) may decline slightly from 1979/80's 60.2 million bags.

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Storage and Transportation

During April and May, transportation of grain and soybeans was slightly greater than a year ago, but movement declined in May and was down slightly from the previous year for the month. Transportation activity is expected to pick up during June through September, but may still be slightly less than last year.

As of June 1, available U.S. storage capacity showed a decline from last year because stock increases had outpaced the gain in new capacity.

Barge Shipments Drop Temporarily

Weekly barge shipments of grain and soybeans during April and May averaged 36.2 and 33.0 million bushels, respectively. Shipments for April were well above a year ago, while those for May about equaled the year-earlier level. Weekly shipments for the first week of June rebounded to 39.8 million bushels, 1.2 million bushels greater than a year ago.

Barge shipments are highly correlated with changes in export volume. During April, for example, average weekly inspections of grain and soybeans for export peaked at 97 million bushels, then dropped to 83 million bushels during May. Thus, the decline in May barge loadings probably reflected a drop in export shipments.

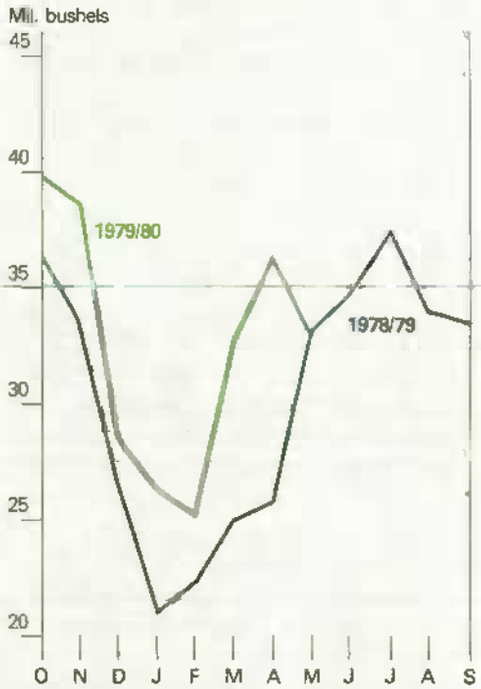
Based on projected exports, average weekly barge shipments should nearly equal year-earlier levels from June through September. Barge capacity appears adequate and is not likely to constrain shipments during this period.

Railcar Loadings Decline

Railcar loadings of grain and soybeans declined in April and May from levels earlier in the year. While April's average weekly loadings of 26,546 cars still topped last year's level, loadings during May fell to 23,606—about 2,600 carloads less than the year-earlier level. This decline could be due to a drop in farm sales, resumption of barge shipping on the Upper Mississippi River, and a drop in May exports.

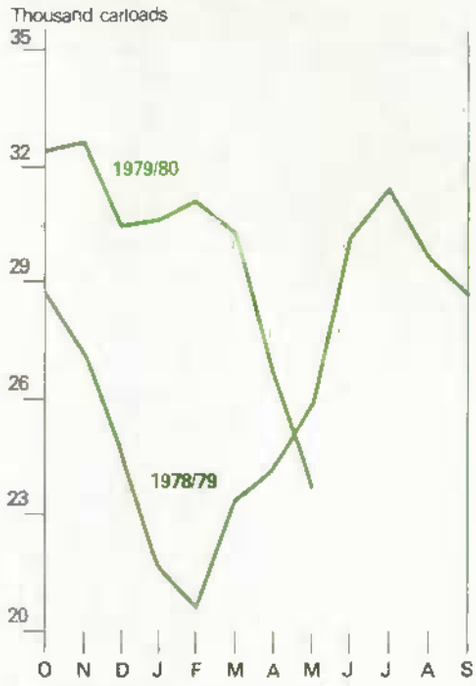
The projected disappearance of grain and soybeans—including movement from the new winter wheat harvest—suggests that weekly carloadings will increase seasonally during June through September. However, based on projected domestic and export disappearance, weekly loadings for June through September may be down slightly from this period last year. Railcar loadings for the first and second weeks of June were 26,261 and 27,461, respectively. According to industry sources, aggregate rail capacity should be adequate to handle this movement, although regional equipment shortages are always a possibility.

Barge Loadings Decline in May



Average weekly loadings of grain and soybeans.

Railcar Loadings Begin to Decline



Average weekly railcar loadings of grain.

Available Storage Capacity Declines

As of June 1, available U.S. storage capacity was down 194.6 million bushels from a year earlier. Slightly more than three-fifths of this decline occurred in off-farm storage capacity. Total storage capacity increased 256.7 million bushels between January 1, 1979 and 1980, but this gain was more than offset by a 451.3-million-bushel increase in grain stored. Since disappearance during October-May 1979/80 exceeded that for 1978/79 by 247.8 million bushels, the rise in stocks was caused mainly by 1979's larger crop production.

The availability of storage capacity as of June 1 varied greatly by region. For example, available storage capacity in the corn and soybean producing areas generally declined, with onfarm storage shrinking the most. States accounting for the greatest share of the decline included Illinois, Iowa, Ohio, Missouri, and Indiana. The decline in total capacity for these States ranged from 32 to 78 million bushels.

In contrast, storage capacity increased in several States. In Minnesota, North Dakota, and Montana, available storage capacity--mainly on the farm—rose by 96, 68, and 38 million bushels, respectively. Most of the increase was due to a decline in wheat, oats, and barley stocks, although Minnesota also showed a drop in corn stocks.

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If this trend continues, transportation requirements during the main harvest period for major Corn Belt States could be greater than a year earlier due to reduced farm storage capacity. However, requirements for Minnesota, North Dakota, and Montana could decline.

Transportation and Storage for South-Central Winter Wheat Appear Adequate

The transportation and storage system for winter wheat now being harvested in the south-central United States appears to be functioning smoothly. Transportation requirements[1] are estimated to be slightly less than last year, and the railroad industry reports an ample supply of railcars despite temporary shortages in specific locations.

In general, winter wheat supplies (beginning inventory and estimated production) throughout the south-central producing area are not as large as last year, and onfarm capacity is greater. While onfarm storage capacity for Texas appears more than adequate to handle its estimated wheat supply, not all capacity is located within the wheat producing area. However, because supplies are not much larger than in 1979, the transportation situation should be similar to last year. Kansas and Oklahoma will require less transportation services than last year because they have smaller wheat supplies and larger onfarm storage capacity.

Estimated Transportation Requirements for Winter Wheat in the South-Central U.S.

Calculations of Transportation Requirements	Texas		Oklahoma		Kansas	
	1979	1980	1979	1980	1979	1980
	Million bushels					
On-farm stock as of June 1	13.0	28.0	4.4	6.8	98.6	100.3
plus estimated production	138.0	125.0	216.6	208.0	410.4	394.4
Total	151.0	153.0	221.0	214.8	509.0	494.7
Less on-farm storage capacity as of January 1	271.1	273.0	89.5	91.6	393.6	398.3
Transportation Requirements	-120.1	-120.0	131.5	123.2	115.4	96.4

Rock Island Railroad Update

On May 30, President Carter signed legislation authorizing the Interstate Commerce Commission (ICC) to extend directed service over the Rock Island Railroad beyond the May 31 expiration date.

The new law authorized $75 million in loan guarantees to the trustee of the bankrupt Rock Island Railroad to protect railroad labor not hired by those railroads purchasing segments of the Rock Island system. In addition, $1.5 million was included for retraining displaced Rock Island employees. Prior to this law, unions for those railroads temporarily operating over the Rock Island system had threatened to strike unless Rock Island employees were protected.

As of May 30, the ICC extended until August 31 the directed service order to the 16 railroads temporarily providing service over about 3,000 miles of the Rock Island system. In addition, the ICC decided that these railroads are not required to honor the transit rate obligations incurred by the Rock Island or the Kansas City Terminal Railroad, which provided service over the system between October 1979 and March 1980.

On June 2, the U.S. District Court in Chicago granted the Rock Island Railroad permission to abandon its system. However, track removal was prohibited for 180 days on those lines other railroads are considering for purchase. The ruling also removed responsibility from the Rock Island to protect employees affected by the abandonment.

Although the issue of protection for Rock Island labor seemed settled, a June 9 order from the U.S. District Court in Chicago has caused temporary uncertainty. It restricted the ICC from carrying out the labor-protection provisions as specified by the act (P.L. 96-254) signed on May 30. Also, the order restrained the Department of Transportation (DOT) from authorizing a loan of $75 million to the trustee of the Rock Island.

The apparent issue is the added claim these provisions will place on creditors of the Rock Island. The Railway Labor Executives Association, ICC, and DOT are expected to appeal the District Court's order to the U.S. Supreme Court.

Railroad Merger Plans Proliferate

On June 2, the Norfolk & Western and Southern Railroads announced plans to merge. This combined system would total about 17,679 miles of track--making it the fifth largest in the country.

The Norfolk & Western system covers 14 States from New York to Virginia and west to Nebraska. The Southern's territory covers 13 States from North Carolina to Florida and west to Tennessee and Louisiana. Such a merger should make a profitable system since both railroads are in good financial condition; however, approval for the merger from the ICC could take nearly 3 years.

This makes the fifth rail merger proposal in the past year. The four others involve Union Pacific-Missouri Pacific-Western Pacific; Sante Fe-Southern Pacific; Chessie System-Seaboard; and Burlington Northern-San Francisco.

In general, railroads sense a changing competitive situation due to the pending actions in rail regulation. An expanded operating territory would reduce the amount of revenue sharing required under the old system. It would also eliminate the cost and time consumed in switching cars from one line to another and could possibly improve car turnaround time. In addition, duplicate equipment could be reduced or eliminated.

In general, the ICC has favored end-to-end railroad mergers that promote competition. Agricultural shippers on viable lines of merged railroads could receive faster service and possibly lower rates to the same market due to the reduction of switching cars between two different railroads.

[1] Transportation requirements are estimated by adding total grain and soybean stocks as of June 1 to the estimated 1980 winter wheat production and subtracting onfarm storage capacity. It should be noted that such an estimate probably underestimates transportation requirements because not all farm storage capacity is located in wheat-producing areas and some wheat is sold from the farm at harvest regardless of available storage capacity.

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Trucking Deregulation Bill Signed

Legislation partly deregulating the trucking industry was signed into law on July 1. Major points of the new law that directly affect agriculture include:

- Agricultural co-ops will be permitted to haul 25 percent of their total traffic (necessary to the primary business) as nonfarm and nonmember goods. Currently, this percentage is 15 percent.
- Livestock and poultry feed and agricultural seeds and plants will be given agricultural-exempt status. To qualify for the exemption, these commodities must be transported to the site of agricultural production or to a business selling goods used in agricultural production.
- Written contracts will be required for certain exempt agricultural transportation across State lines. The ICC, in cooperation with the Secretary of Agriculture, will require the use of contracts where appropriate.

Other changes in the bill—such as the easing of barriers to entry, elimination of gateway restrictions and circuitous routings, and rate flexibility—could also benefit agriculture. Overall service to agriculture should improve, and rates may decline in some cases.

Senate Passes Rail Deregulation Bill

A partial deregulation bill for railroads (S. 1946) has been passed by the Senate. Major provisions include increased flexibility in rate making, authority to set contract rates, reduced restrictions for rail mergers, and easing the abandonment of unprofitable lines. The House bill has not yet been passed.

Assuming the Senate bill is signed into law, some agricultural shippers could lose rail service through abandoned lines, and some could experience higher-rail rates. However, shippers located on viable rail lines could get lower rates and faster service. *(Linwood Hoffman (202) 447-8487)*



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Use of Multiple Regression Analysis to Summarize and Interpret Linear Programming Shadow Prices in an Economic Planning Model. TB-1622.

Asia Agricultural Situation: Review of 1979 and Outlook for 1980. Supplement 2 to WAS-21.

Western Europe Agricultural Situation: Review of 1979 and Outlook for 1980. Supplement 4 to WAS-21.

State Reports

To order publications issued by a State write directly to the address shown. No copies are available from the U.S. Department of Agriculture.

Production and Marketing Eggs, Chickens and Turkeys California - 1979. California Crop and Livestock Reporting Service. P.O. Box 1258, Sacramento, California 95806.

Florida Agricultural Statistics - Vegetable Summary 1979. Florida Crop and Livestock Reporting Service, 1222 Woodward Street, Orlando, Florida 32803.

Farm Use of Minnesota Pesticides 1978. Minnesota Crop and Livestock Reporting Service, Box 70068, St. Paul, Minnesota 55107.

Minnesota Corn Statistics. Minnesota Crop and Livestock Reporting Service, Box 70068, St. Paul, Minnesota 55107.

Montana Selected County Agricultural Statistics 1978-1979. Montana Crop and Livestock Reporting Service, P.O. Box 4369. Helena, Montana 59601.

Pennsylvania's 1980 Machinery Custom Rates, CRS-76. Pennsylvania Crop Reporting Service. 2301 North Cameron Street, Harrisburg, Pennsylvania 17110.

1979 Texas Fruit and Pecan Statistics. Texas Crop and Livestock Reporting Service, P.O. Box 70, Austin, Texas 78767.

1979 Texas Poultry Statistics. Texas Crop and Livestock Reporting Service, P.O. Box 70, Austin, Texas 78767.

Microfiche Reports

The following are available FOR SALE ONLY from National Technical Information Service, U.S. Department of Commerce, 5285 Port Royal Road, Springfield, Va. 22161.

Producing Fresh Winter Vegetables in Florida and Mexico: Costs and Competition. (ESCS-72) Accession No. PB 80-116973. 93 p. Paper $6.00. Fiche $3.00.

Proceedings of Symposium on Farm Estate Issues Rated by the Tax Reform Act of 1976. (ESCS-73) Accession No. PB 80-121163. 108 p. Paper $6.50, Fiche $3.00.

Roads of Rural America. (ESCS-74) Accession No. PB 80-116841. 63 p. Paper $5.25, Fiche $3.00.

Textiles: U.S. Trade Agreements, Imports, and Consumption. (ESCS-75) Accession No. PB 80-128937. 21 p. Paper $4.00, Fiche $3.00.

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World Agriculture and Trade

U.S. FARM EXPORTS BOOMING

At $28.0 billion, the value of U.S. farm exports in the first 8 months of fiscal 1980 (October-May) stood 33 percent higher than a year ago. This record pace of $3.5 billion worth of agricultural products shipped each month was fueled primarily by a year-to-year gain in volume of 29 percent during October-May. Export prices have also been generally higher than last year, with the snybean complex a notable exception. Soybean and soymeal prices are well below last summer's highs.

Cotton continues to be the standout commodity of fiscal 1980 in terms of export gains. As of June 1, 6.7 million running bales had been shipped abroad, versus 4.1 million a year ago. Demand for U.S. cotton has been very strong in the Asian market, particularly China, Japan, and Korea.

As of June 1, the export value of corn and grain sorghum, which account for about 98 percent of all feed grain exports, stood 31 and 70 percent, respectively, above year-ago levels. Export volume of feed grains was 36 percent higher at 48.6 million tons.

Wheat exports totaled 23 million tons during October-May 4.5 million tons, or 24 percent, above last year's level. With Argentina diverting most of its exportable surplus of wheat to the Soviet Union, the United States was able to increase its exports.

Exports of soybeans, soybean meal, and soybean oil are all progressing at a record pace. The European Community (EC) and Spain have shown unprecedented demand for beans this year. In addition, India entered the U.S. soybean oil market and has already taken nearly 400,000 tons.

Feed grains, feeds, fodders, oilseeds, and meals have benefited from a number of factors in fiscal 1980. Poor corn and sorghum crops in Argentina (a major supplier) earlier this year, expanding import feed demand in the EC, Japan, Mexico, Eastern Europe, Spain, and China, and burgeoning Soviet demand for feedstuffs following a disastrous harvest have put the feed sector in the forefront of the U.S. export picture. (*Steve Milmoe (202) 447-9160*)

WORLD PROSPECTS FOR 1980/81: CROPS

Wheat Supplies To Rise, Use May Decline

Early prospects indicate that world wheat production will increase in the coming season, perhaps exceeding the trend level of 434 million tons. The global wheat area is estimated up about 3 percent. Most of the increased output may come from the USSR and the United States, but gains are also likely in Europe and Argentina. Crops in most regions are expected to recover from reduced 1979/80 harvests; exceptions are China, India, and Australia, where declines are anticipated.

World wheat utilization may decline because of an expected reduction in Soviet use. Soviet feed use of wheat in 1979/80 was extraordinarily high because of large carryover wheat stocks and short supplies of coarse grains. Utilization in the rest of the world is expected to increase less than 3 percent in 1980/81. East European usage will rebound sharply if production recovers, while reduced harvests may cause use of wheat to decline in India and China.

Following a 16-percent rise in 1979/80, little growth is expected in world wheat trade. East European imports are likely to decline substantially, with Western Europe and Japan also importing slightly less. On the other hand, the USSR is expected to import more wheat to rebuild stocks, partly because coarse grains will be less available to the Soviets if the U.S. suspension is continued. China and the countries of North Africa and the Middle East are also expected to increase wheat imports.

Coarse Grain Supplies and Use To Increase

World coarse grain production is expected to increase from 1979/80's reduced harvest, perhaps reaching a record high near the trend level of 755 million tons. Area is anticipated to increase only 1 percent, with gains in Latin America, North America, and India. Most of the production gain is expected to come from the USSR, where recovery is likely from 1979's shortfall. Smaller gains are anticipated in most other regions outside the United States.

Coarse grain utilization is forecast to increase about 3 percent, following a slight drop in 1979/80. Outside the USSR, use is expected to rise only about 1 percent. Consumption may climb 4 percent in China and the developing countries, but may decline slightly in Eastern Europe due to increased feeding of domestic wheat instead of imported coarse grains.

The developed countries are expected to show little growth in utilization of coarse grains due to slowed growth of livestock industries. In Western Europe, greater use of cassava and protein meal will partly displace coarse grains. In Japan, the rice disposal program will increase the use of rice as livestock feed.

World coarse grain trade in the coming season may total near the record volume of 1979/80. Soviet imports are expected to fall by about 2 million tons, with East European imports also declining. On the other hand, Chinese imports may increase to about 3 million tons, while North African and Middle Eastern imports may rise more than a tenth.

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Larger Rice Crops in Prospect

Early prospects for world rice production point to a recovery from last year's weather-related downturn. With some exceptions, the major rice-producing countries have experienced normal pre-planting weather. World rice output may reach 378 to 392 million tons (rough basis) next season, up from 373 million in 1979/80.

While depleted subsoil moisture in India and severely reduced water-reserve levels in Thailand may restrain yield potentials, normal monsoon performance in 1980 should enable both countries to substantially improve last season's reduced harvests. Increased production is also likely in China, the United States, Burma, and Vietnam. Given the exceptionally favorable growing conditions this past season in Brazil and Indonesia, significant production gains there in 1980/81 are unlikely.

During 1981, world rice trade is expected to continue near the high levels of the previous 2 years. Some modest growth is possible, with a falloff in South Korean and Brazilian requirements being offset by likely increases in Indonesia and the Middle East—due to increasing demand—and in Africa—due to domestic production problems.

Oilseed Supplies Abundant

Unusually high yields boosted 1979/80 world oilseed production 17 percent above the previous year, setting a third consecutive annual record.

Prospects for 1980/81 world production of oilseeds and meals are very uncertain at this time. Output is not expected to increase. Growers in the United States, producer of almost half the world's supply of oilseeds, planted slightly less acreage to soybeans, sharply less to sunflower, and only 3 percent more to cotton. In addition, the 1979/80 surplus of oilseeds in Canada has caused rapeseed plantings to decline in 1980.

Normal weather in India should improve next year's peanut harvest. Brazil's oilseed production is projected to increase slightly in 1981, assuming normal growing conditions. Argentina's oilseed crop is likely to increase under normal weather conditions, although price relationships are favoring other crops.

Protein meals are in abundant supply and lower in price relative to other feeds, so world consumption of meals is expected to rise next season. Nevertheless, expected slower growth in livestock industries and worsening economic conditions could limit the gain in consumption. The EC is expected to utilize more protein meal because feed use of cassava is likely to increase. Expanded crushing capacity in Spain will probably lead to greater demand for soybeans. With livestock sectors expanding in the developing countries of Asia and Central America, protein meal use there is likely to increase.

With the large supplies available for export, world trade of oilseeds and meals could increase in 1980/81. Brazilian exports of soybean meal could easily expand by 1.5 to 2.5 million tons from the 5 million tons exported in their 1979/80 season. In addition, Brazil's rapidly growing poultry industry will consume more soybean meal.

Cotton Use Expanding

World cotton production rose 9 percent in 1979/80 to a record 65.4 million bales. The 1980/81 crop is forecast at 63 to 68 million bales. An anticipated decline in U.S. production is expected to be offset by larger crops abroad. Foreign cotton area is projected to increase 2 to 3 percent, and yields could hold near last year's relatively favorable levels in major producing countries. Foreign production may total 50 to 53.6 million bales, compared with 50.7 million in 1979/80.

World cotton consumption is estimated up 3 percent in 1979/80, at 64.7 million bales. However, with slower world economic growth in prospect in 1980/81, growth in cotton consumption likely will be slow.

World cotton trade in 1980/81 may be below 1979/80's record 22.3 million bales. Foreign exportable supplies are likely to be large, so U.S. exports could decline to between 6.0 and 8.5 million bales, compared with an estimated 9.0 million this year.

WORLD PROSPECTS FOR 1980/81: LIVESTOCK

Cattle Numbers Rising

The long-awaited upturn in cattle numbers has now begun in most of the major beef and veal producing countries having distinct cattle cycles. In Canada, the United States, and many Central and South American countries, cattle numbers showed small year-to-year gains at the beginning of 1980. However, Argentine and Australian inventories continued their decline of the past several years. In addition, drought in Australia and floods in Argentina may have substantially slowed this year's buildup in cattle herds.

In other major areas, including Western Europe, cattle numbers are not expected to show much increase. Reduced grain and fodder production in 1979 continues to hold down the growth of cattle herds in Eastern Europe and the USSR.

Beef and veal production in 1980 will continue to show year-to-year declines in many areas because of reduced cattle inventories and herd rebuilding efforts. Combined U.S. and Canadian output is expected to decline 2 to 3 percent. Argentine production may fall 6 to 8 percent, and Australian output may drop 10 percent or more. On the other hand, production could increase in Brazil and some Central American countries.

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Pork and Poultry Expansion Slowing

Following several years of rapid expansion, world pork production will show further gains in 1980. Nevertheless, the rate of growth will slow considerably by late 1980—especially in many developed countries—as abundant supplies have depressed producer returns.

Pork output in the EC—the world's largest producing area—will only show a small increase in 1980. In Eastern Europe and the USSR, little increase is expected because of limited feed supplies. Strong growth is underway in many South and Central American countries, where high beef prices have encouraged pork consumption.

U.S. production is forecast to rise 8 to 10 percent; however, most of this increase occurred in the first half of the year. Canadian production could jump 12 to 14 percent. While pork output may rise 5 to 6 percent in Japan, this would be well below the expansion rate of the late 1970's.

Poultry output will surpass 1979 levels in most major producing countries. However, producers in some areas are now caught in a cost-price squeeze because of large supplies of both poultry and competing meats.

Poultry output in Canada, Western Europe, Eastern Europe, and the USSR will expand, but at a much slower rate than in recent years. U.S. output of chicken meat may only about match 1979 levels, but turkey output will show a modest increase. Canadian producers are somewhat protected from an oversupply situation by their Marketing Board, which guarantees certain profits to producers; however, large meat supplies have caused the Marketing Board to reduce the production quota for chickens below last year's level.

Brazil's poultry output will increase substantially in 1980—possibly jumping as much as 20 percent from last year and double 1976's output. The rapid expansion in Brazilian poultry production has resulted from good domestic demand as well as sharp gains in exports to the Mideast. *(World Analysis Branch (202) 447-9160)*

DROUGHT HITS EAST AFRICA

The drought in East Africa is by far the most serious food problem on the African continent. It is a regional crisis, one that may become as critical as the Sahelian drought of 1973-74.

East African countries in an unbroken line from Ethiopia through Mozambique now face serious drought and food shortages. These countries—Djibouti, Ethiopia, Somalia, Kenya, Uganda, Tanzania, Zambia, and Mozambique—have a combined population of nearly 95 million people. In several countries—Somalia, Uganda, and Ethiopia—immediate emergency assistance will be needed to prevent starvation for many. All other countries need expanded grain imports and aid to cope with severe hunger and keep conditions from deteriorating further.

While the details differ from country to country, there are several general problems. First, drought conditions have affected virtually all countries in eastern Africa, limiting regional sources for food exports. Malawi, Kenya, and Zimbabwe—normally self-sufficient in corn and sometimes exporters—must all import this year. South Africa's total corn production is satisfactory, but exports of white corn are likely to be nil. The whole region therefore is more dependent on outside supplies of grain.

Production Shortfalls in East Africa

	Main harvest dates	Estimated 1980 cereal production	Estimated production shortfall
Djibouti[1]	—	—	—
Ethiopia	Apr.-May	4,000	740
Wheat	Jul.-Aug.	390	210
Corn	Apr.-May	975	-39
Barley	Apr.-May	795	258
Millet	Jul.-Sept.	190	-5
Sorghum	Jul.-Sept.	750	12
Other (tef)	Sept.-Dec.	900	304
Somalia		222	23
Corn	Jul.-Feb.	85	16
Sorghum	Jul.-Feb.	130	8
Rice	Aug.-Sept.	6	-1
Wheat	Aug.-Sept.	1	—
Kenya		1,955	125
Corn	Nov.-Feb.	1,800	100
Wheat	Nov.-Jan.	130	25
Rice	Dec.	25	—
Uganda[2]	—	—	—
Tanzania		890-1,070	60-240
Corn	Jul.-Aug.	750-900	50-200
Rice	Aug.-Sept.	120-140	10-30
Wheat	Jul.-Nov.	20-30	0-10
Zambia		360 - 410	245 - 295
Corn	Apr.-Jun.	350 - 400	249 - 300
Wheat	Oct.-Nov.	10	-4
Mozambique[3]		352	118
Corn	May-Jul.	300	--
Rice (millet)	Apr.-Jun.	50	—
Wheat	Sept.-Oct.	2	—
Total		7,944	1,311 - 1,541

[1] Djibouti has only limited garden type farming and fruit trees because of water shortage. [2] Reasonable estimate is not available. All cereal products down in 1979. [3] Production decline partly due to departure of Portuguese in 1975.

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Second, large-scale movement of people within and across countries will shape the requirements of emergency feeding programs. Two forces are at work here. Many countries--especially Somalia, Djibouti, Kenya, and Uganda--have nomadic people whose normal source of food is cattle (milk and meat). As drought persists, milk supplies disappear and cattle die. People migrate in search of food, expanding the requirements for cereals well beyond the normal shortfalls in cereal production.

Moreover, political conflicts in the area have created large refugee communities that strain the resources of the countries harboring them. The Somali-Ethiopian was has currently left Somalia with over 1.5 million refugees, about 40 percent of its original 3.7 million population. The war also disrupted food production in both countries. The war in Uganda not only disrupted that country's economy but also created serious economic problems for Tanzania (whose forces remain in the country) and Kenya (affected by the smuggling of scarce food across the border). Zimbabwe faces the task of feeding and resettling some 500,000-750,000 returning refugees and displaced people.

There is little prospect for improvement over the next few months. Because of poor rains, current harvests are down in those countries where the rainy season ends early in the calendar year. These include Zambia, Mozambique, Malawi, Zimbabwe, and Angola. Present rainfall conditions in northern Uganda and parts of Kenya started late and continue to be poor and widely scattered, except in the west. Finally, for those areas experiencing the greatest food problems--Ethiopia and Somalia--poor weather continues.

In addition to the eight countries highlighted as having the greatest food needs, at least 12 others in the area--Rwanda, Chad, Swaziland, Angola, Malawi, Zimbabwe, Namibia, Lesotho, Botswana, Sudan, and Zaire--are experiencing some food-supply problems caused by dry weather or refugees or both.

Estimates of what is needed--over and above the 1977-79 trade and aid levels--differ. The World Food Council estimates East Africa will require 1.1 to 1.5 million tons of cereals over the next 12 months. AID estimates a need for about 941,000 tons in crop year 1980. USDA's analysis indicates a crop shortfall of between 1.3 and 1.5 million tons over the next 12 months. If there were no refugee problem and no nomads shifting into cereal consumption, this shortfall would mean that 804,000 to 1.0 million additional tons of cereal would be needed.

Meeting the minimal consumption needs of these people would imply total import requirements of 1.5 to 1.9 million tons, in addition to normal trade and aid levels. However, keeping the consumption of refugees and drought-affected nomads at normal levels would require even greater imports--ranging between 2.2 and 2.5 million tons. *(Cheryl Christensen (202) 447-8054)*

Upcoming Crop Reporting Board Releases

The following list gives the release dates of the major Crop Reporting Board reports that will be issued by the time the August *Agricultural Outlook* comes off press. This list will be updated in subsequent issues of the *AO*.

July:

21	Lamb Crop & Wool
	Naval Stores
	Eggs, Chickens, & Turkeys
24	Livestock Slaughter
28	Cattle (July 1 Inventory)
30	Commercial Fertilizers
31	Dairy Products
	Agricultural Prices

August:

1	Poultry Slaughter
4	Field Seed Stocks
8	Vegetables
11	Crop Production
12	Milk Production
13	Cattle on Feed
	Mushrooms
14	Commercial Apples

To start receiving any of these reports, send your name, address, and zip code to: Crop Reporting Board, USDA, Room 0005-South Building, Washington, D.C. 20250. Ask for the report (s) by title.

Upcoming FAS Circulars

For those interested in the latest world agricultural developments, the series of circulars published by USDA's Foreign Agricultural Service (FAS) is a good source of information. Separate series are available on each major commodity, as well as a world crop production series--prepared jointly with ESCS and a series on Soviet grain production and trade.

The following list gives the release dates of all FAS circulars through October, 1980. All circulars are cleared by the World Food and Agricultural Outlook and Situation Board.

August:

11	World Crop Production
	Soviet Grain Production & Trade
13	World Grain Situation & Outlook
15	Per Capita Meat Consumption
18	World Oilseeds Situation & Outlook
29	World Tobacco Supply & Distribution

September:

11	World Crop Production
	Soviet Grain Production & Trade
15	World Grain Situation & Outlook
18	World Oilseeds Situation & Outlook
30	World Dairy Production & Trade

October:

10	World Crop Production
	Soviet Grain Production & Trade
15	World Grain Situation & Outlook
	Quarterly Meat Outlook
20	World Oilseeds Situation & Outlook
21	World Cotton Situation
24	World Coffee Production & Trade

Single copies of the above reports can be obtained by writing to: FAS Information Services, Room 5918-South Building, USDA, Washington, D.C. 20250.

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United States Department of Agriculture

Economics, Statistics, and Cooperatives Service

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Statistical Indicators

Summary Data

Key Statistical Indicators of the Food and Fiber Sector

	1979				1980				
	II	III	IV	Annual	I	II p	III	IV Forecast	Annual
Prices received by farmers (1967=100)	245	241	237	241	236	227	242	245	238
Livestock and products (1967=100)	265	248	252	257	253	234	255	262	252
Crops (1967=100)	222	233	222	223	219	221	227	227	224
Prices paid by farmers, all items (1967=100)	247	252	258	250	271	277	281	—	—
Production items (1967=100)[1]	259	262	267	260	283	287	290	—	—
Farm Production (1967=100)	—	—	—	129	—	—	—	—	—
Livestock and products (1967=100)	—	—	—	107	—	—	—	—	—
Crops (1967=100)	—	—	—	144	—	—	—	—	—
Farm income[2]									
Cash receipts ($ bil.)	129.1	127.2	130.4	128.9	132.7	128.5	136.3	—	—
Livestock ($ bil.)	67.8	65.2	66.2	67.2	67.5	62.5	66.8	—	—
Crops ($ bil.)	61.3	62.0	64.2	61.7	65.2	66.0	69.5	—	—
Total gross farm income ($ bil.)[3]	146.2	145.0	150.6	146.7	150.1	145.4	152.7	—	—
Production expenses ($ bil.)	112.1	115.1	118.1	113.4	122.5	125.2	129.2	—	—
Net farm income ($ bil.)	34.1	29.9	32.5	33.3	27.6	20.2	23.5	—	—
Market basket									
Retail cost (1967=100)	223.8	224.3	225.3	222.7	229.8	234	242	246	236-245
Farm value (1967=100)	236.2	227.3	227.6	231.8	228.0	223	235	243	232-244
Spread (1967=100)	216.3	222.5	223.9	217.2	230.9	241	246	247	237-244
Farm value/retail cost (%)	40	38	38	39	38	37	37	37	37-39
Retail prices									
Food (1967=100)	234.0	236.8	239.7	234.5	245.3	251	258	262	251-260
At home (1967=100)	233.1	234.7	236.7	232.9	241.8	247	254	258	247-259
Away-from home (1967=100)	240.7	246.3	251.4	242.9	258.4	265	270	276	264-269
Per capita food use (1967=100)	—	—	—	103.8	—	—	—		105.2
Animal-products (1967=100)[4]	98.4	99.8	104.3	100.5	101.4	99.7	100.7	104.3	101.5
Crop-products (1967=100)	—	—	—	105.9	—	—	—	—	109.4
Agricultural exports ($ bil.)[5]	7.7	7.9	8.2	32.0	11.0	10.3	9.7	7.0-9.0	—
Agricultural imports ($ bil.)[5]	4.1	4.4	3.8	16.2	4.4	4.6	4.6	4.5-5.5	—
Livestock and Products									
Total livestock and products (1974=100)	106.7	107.5	109.0	106.3	106.6	112.1	107.9	108.1	108.7
Beef (mil. lb.)	5,076	5,222	5,416	21,261	5,244	5,260	5,100	5,400	21,004
Pork (mil. lb.)	3,754	3,775	4,346	15,270	4,124	4,300	4,000	4,250	16,674
Veal (mil. lb.)	98	99	100	410	91	87	75	80	333
Lamb and mutton (mil. lb.)	71	69	73	284	81	80	70	70	301
Red meats (mil. lb.)	8,999	9,165	9,935	37,225	9,540	9,727	9,245	9,800	38,312
Broilers (mil. lb.)	2,844	2,855	2,665	10,915	2,722	2,925	2,775	2,575	10,997
Turkeys (mil. lb.)	465	720	725	2,181	374	560	755	720	2,409
Total meats and poultry (mil. lb.)	12,308	12,740	13,325	50,321	12,636	13,212	12,775	13,095	51,718
Eggs (mil. dz.)	1,434	1,436	1,477	5,769	1,464	1,420	1,420	1,475	5,779
Milk (bil. lb.)	32.8	31.2	29.8	123.6	31.1	33.9	31.7	30.0	126.7
Choice steers, Omaha ($/cwt.)	72.51	65.88	66.86	67.67	66.85	64.50	68-70	68-72	66-69
Barrows and gilts, 7-markets ($/cwt.)	43.04	38.52	36.39	42.06	36.31	31.10	36-38	38-40	35-37
Broilers, 9-city wholesale (cts./lb.)	47.7	40.8	41.7	44.4	43.0	40.5	42-45	41-44	41-43
Turkeys, N.Y., wholesale (cts./lb.)	66.2	63.1	73.0	68.1	59.0	53.5	55-58	58-61	56-58
Eggs, Gr. A large, N.Y. (cts./dz.)	66.1	65.2	69.4	68.2	62.1	57.8	62-64	68-70	62-64
Milk, all at farm ($/cwt.)	11.53	12.00	12.77	12.00	12.77	12.57	12.80-13.20	13.90-14.40	13.00-13.25

[1] Including interest, wages, and taxes. [2] Quarterly data are seasonally adjusted at annual rates. [3] Includes net change in farm inventories. [4] Quarterly data exclude fish products. [5] Annual and quarterly data are based on Oct.-Sept. fiscal years ending with indicated years; quarters indicated refer to fiscal year quarters, not calendar year quarters, i.e. I 1979 means Oct.-Dec. 1978, II 1979 means Jan.-Mar. 1979, etc. p = Preliminary.

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Farm Income

Gross and net farm income

	Annual									
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979p
	$ bil.									
Cash receipts from farm marketings	50.5	52.9	61.2	87.1	92.4	88.2	94.8	95.7	111.0	128.9
Livestock and products	29.6	30.6	35.7	45.9	41.4	43.1	46.1	47.4	59.0	67.2
Meat animals	18.5	19.5	24.0	30.4	25.2	25.8	27.0	27.8	37.4	42.7
Dairy products	6.5	6.8	7.1	8.1	9.4	9.9	11.4	11.8	12.7	14.5
Poultry and eggs	4.2	4.0	4.2	6.9	6.3	6.8	7.2	7.2	8.2	9.3
Other	0.3	0.3	0.4	0.5	0.5	0.5	0.6	0.6	0.7	0.8
Crops	21.0	22.3	25.5	41.1	51.1	45.2	48.7	48.2	52.1	61.7
Food grains	2.5	2.5	3.5	7.2	8.5	7.8	6.9	6.0	5.9	8.1
Feed crops	5.1	5.5	5.9	10.6	14.0	12.2	13.1	11.9	10.9	14.3
Cotton (lint and seed)	1.3	1.5	1.8	2.8	2.9	2.3	3.5	3.5	3.4	4.0
Tobacco	1.4	1.3	1.4	1.6	2.1	2.2	2.3	2.3	2.5	2.3
Oil-bearing crops	3.6	3.8	4.4	7.6	10.0	7.3	9.4	9.5	12.0	14.7
Vegetables and melons	2.8	3.0	3.3	4.4	5.3	3.4	5.2	5.7	6.1	6.4
Fruits and tree nuts	2.1	2.3	2.6	3.4	3.4	3.5	3.6	4.3	5.5	6.1
Other	2.2	2.3	2.6	3.6	4.9	4.6	4.6	4.9	5.8	5.8
Net change in farm inventories	(3)	1.4	0.9	3.4	-1.6	3.4	-2.4	1.1	1.1	4.4
Nonmoney and other farm income[1]	8.0	7.7	8.9	8.4	7.5	8.7	9.4	11.8	13.9	13.4
Gross farm income	58.6	62.0	71.0	98.9	98.3	100.3	101.8	108.5	126.0	146.7
Farm production expenses	44.4	47.4	52.3	65.6	72.2	75.9	83.1	88.8	98.1	113.4
Net farm income										
Current prices	14.2	14.6	18.7	33.3	26.1	24.5	18.7	19.8	27.9	33.3
1967 prices[2]	12.2	12.1	14.9	25.1	17.7	15.2	11.0	10.9	14.3	15.3

[1] Includes government payments to farmers, value of farm products consumed in farm households, rental value of farm dwellings, and income from recreation, machine hire, and custom work. [2] Deflated by the consumer price index for all items, 1967=100. [3] Less than $.05 bil. Totals may not add due to rounding. p. preliminary.

Farm Production[1]

Item	1971	1972	1973	1974	1975	1976	1977	1978	1979[2]
	1967=100								
Farm output	110	110	112	106	114	117	121	121	129
All livestock products[3]	106	107	105	106	101	105	106	106	110
Meat animals	109	109	108	110	102	105	105	104	107
Dairy products	101	102	98	99	98	103	105	104	106
Poultry and eggs	106	109	106	106	103	110	112	118	127
All crops[4]	112	113	119	110	121	121	129	131	144
Feed grains	116	112	115	93	114	120	126	135	145
Hay and forage	105	104	109	104	108	102	107	113	117
Food grains	107	102	114	120	142	141	132	125	143
Sugar crops	116	127	112	104	130	128	116	116	110
Cotton	145	187	175	158	112	142	191	145	200
Tobacco	86	88	88	101	110	108	98	102	79
Oil crops	121	131	155	127	153	132	175	182	219
Cropland used for crops	100	98	103	106	108	109	111	108	111
Crop production per acre	112	115	116	104	112	111	117	121	130

[1] For historical data and explanation of indexes, see *Changes in Farm Production and Efficiency* USDA Statistical Bulletin 624. [2] Preliminary indexes for 1979 based on January 1980 *Crop Production* report and other releases of the *Crop Reporting Board*, ESCS. [3] Gross livestock production includes minor livestock products not included in the separate groups shown. It cannot be added to gross crop production to compute farm output. [4] Gross crop production includes some miscellaneous crops not in the separate groups shown. It cannot be added to gross livestock production to compute farm output.

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Farm Prices: Received and Paid

Indexes of prices received and paid by farmers, U.S. average

	Annual			1979	1980					
	1977	1978	1979	June	Jan	Feb	Mar	Apr	May	June p
					1967=100					
Prices Received										
All farm products	183	210	241	244	236	238	234	224	227	230
All crops	192	203	223	234	220	220	220	217	223	224
Food grains	156	191	229	240	245	251	245	241	247	238
Feed grains and hay	181	184	207	218	216	212	211	211	219	219
Feed grains	174	181	204	216	211	206	207	204	209	213
Cotton	270	245	258	262	266	279	269	260	265	256
Tobacco	175	191	207	206	216	214	217	217	218	218
Oil-bearing crops	243	226	249	265	233	227	219	209	214	213
Fruit	163	224	240	264	192	201	207	200	215	233
Fresh market[1]	163	234	250	278	190	202	209	201	219	241
Commercial vegetables	176	185	194	187	176	173	193	208	204	202
Fresh market	197	208	215	204	190	184	214	238	231	228
Potatoes[2]	194	202	178	188	198	193	188	180	195	216
Livestock and products	175	217	257	255	252	255	247	232	232	237
Meat animals	168	226	280	280	265	275	261	240	242	249
Dairy products	193	210	239	229	254	254	252	252	250	248
Poultry and eggs	174	185	192	191	192	176	178	167	161	166
Prices paid										
Commodities and services, interest, taxes, and wage rates	202	219	250	249	269	271	274	274	275	277
Production items	200	217	248	248	263	266	270	268	268	270
Feed	186	183	204	205	212	211	211	210	214	213
Feeder livestock	158	221	293	292	294	302	291	273	260	267
Interest payable per acre on farm real estate debt	339	400	501	501	627	627	627	627	627	627
Taxes on farm real estate	195	210	226	226	244	244	244	244	244	244
Wage rates (seasonally adjusted)	226	242	265	269	284	284	284	284	284	284
Production items, interest, taxes, and wage rates	208	227	261	261	281	283	287	285	285	287
Prices received (1910-14=100)	457	524	603	611	591	596	584	561	568	576
Prices paid, etc. (Parity index) (1910-14=100)	687	746	849	848	913	923	933	933	936	943
Parity ratio[3]	66	70	71	72	65	65	63	60	61	61

[1] Fresh market for noncitrus and fresh market and processing for citrus. [2] Includes sweetpotatoes and dry edible beans. [3] Ratio of index of prices received to index of prices paid, taxes, and wage rates. P. preliminary.

Prices received by farmers, U.S. average

	Annual*			1979	1980					
	1977	1978	1979	June	Jan	Feb	Mar	Apr	May	June p
Crops										
All wheat ($/bu.)	2.29	2.82	3.51	3.72	3.74	3.78	3.64	3.58	3.69	3.55
Rice, rough ($/cwt.)	7.94	9.29	9.05	8.73	9.88	11.00	11.70	11.60	11.30	11.10
Corn ($/bu.)	2.03	2.10	2.36	2.49	2.45	2.39	2.40	2.36	2.42	2.43
Sorghum ($/cwt.)	3.11	3.43	3.91	4.30	4.01	3.98	4.05	3.96	4.04	4.24
All hay, baled ($/ton)	57.10	49.90	56.50	57.80	60.20	60.80	58.70	63.40	70.60	64.60
Soybeans ($/bu.)	6.82	6.28	6.86	7.36	6.39	6.20	5.94	5.63	6.76	5.76
Cotton, Upland (cts./lb.)	60.5	55.2	58.0	58.8	59.8	62.9	60.7	58.5	59.6	57.7
Potatoes ($/cwt.)	3.78	3.87	3.18	3.08	3.53	3.32	3.22	3.13	3.54	3.92
Dry edible beans ($/cwt.)	17.55	18.56	19.60	20.00	24.60	25.20	24.90	22.60	22.90	23.60
Apples for fresh use (cts./lb.)	12.0	16.1	14.3	13.5	14.3	14.7	16.1	16.9	16.9	21.0
Pears for fresh use ($/ton)	145	301	306	496	274	326	378	404	452	450
Oranges, all uses ($/box)[1]	2.78	4.67	4.69	5.64	3.09	3.38	3.42	3.09	3.66	3.72
Grapefruit, all uses ($/box)[1]	1.66	2.39	3.52	5.18	2.89	2.80	2.87	2.95	3.26	1.64
Livestock										
Beef cattle ($/cwt.)	34.40	48.50	66.00	66.80	63.90	66.60	64.30	60.20	60.60	61.20
Calves ($/cwt.)	36.90	59.10	88.80	92.30	85.60	90.80	83.20	74.70	74.50	76.20
Hogs ($/cwt.)	39.40	46.60	41.80	39.60	36.30	36.70	33.40	28.00	28.60	32.40
Lambs ($/cwt.)	51.30	62.70	66.70	66.40	66.50	63.30	67.30	59.30	59.90	64.50
All milk, sold to plants ($/cwt.)	9.72	10.60	12.00	11.50	12.80	12.80	12.70	12.70	12.60	12.50
Milk, manuf. grade ($/cwt.)	8.70	9.65	11.10	10.70	11.80	11.70	11.80	11.80	11.70	11.70
Broilers (cts./lb.)	23.6	26.3	25.9	27.2	27.2	25.4	24.2	22.5	23.6	24.4
Eggs (cts./doz.)[2]	55.6	52.2	58.3	56.0	56.8	50.8	55.0	52.1	47.0	48.4
Turkeys (cts./lb.)	35.5	43.6	41.1	39.7	38.5	36.3	35.4	34.1	31.2	32.0
Wool (cts./lb.)[3]	72.0	74.5	86.3	89.4	83.6	82.3	91.6	92.9	88.2	90.8

[1] Equivalent on-tree returns. [2] Average of all eggs sold by farmers including hatching eggs and eggs sold at retail. [3] Average local market price, excluding incentive payments. *Calendar year averages. p Preliminary.

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Producer and Retail Prices

Producer Price Indexes, U.S. average (not seasonally adjusted)

	Annual			1979		1980				
	1977	1978	1979p	May	Dec	Jan	Feb	Mar	Apr	May
	1967=100									
Finished goods[1]	180.6	194.6	215.9	212.7	228.1	232.4	235.4	238.2	240.0	241.0
Consumer foods	189.1	206.8	226.3	226.6	232.1	231.4	231.6	233.0	228.7	230.0
Fruits and vegetables[2]	192.2	216.5	229.0	228.2	210.5	218.9	220.5	218.3	223.0	243.8
Eggs	162.0	158.6	176.5	163.8	198.4	165.6	150.4	184.2	153.3	145.7
Bakery products	186.5	201.3	221.4	216.3	234.4	237.8	241.5	242.5	243.0	244.5
Meats	170.7	209.6	233.8	242.0	233.7	229.4	231.0	230.5	216.9	218.7
Beef and veal	157.5	202.2	252.2	264.4	256.5	252.9	260.7	260.8	250.7	254.6
Pork	190.1	219.1	205.0	203.2	201.1	190.5	185.5	181.8	162.1	163.7
Poultry	173.3	194.0	188.6	204.9	190.3	187.5	179.5	174.7	165.7	165.8
Fish	294.3	313.0	383.8	383.2	392.2	397.7	394.1	400.7	386.1	355.2
Dairy products	173.4	188.4	211.2	207.9	219.6	221.4	221.2	223.3	227.8	228.9
Processed fruits and vegetables	187.3	202.6	221.9	221.4	222.3	222.8	223.1	223.6	224.5	225.2
Refined sugar[3]	n.a.	108.3	116.3	114.2	130.1	134.5	178.1	176.6	166.1	221.5
Vegetable oil end products	198.6	209.4	223.7	219.3	230.8	228.9	229.2	232.6	229.9	228.6
Consumer finished goods less foods	172.1	183.7	208.1	202.1	225.0	231.8	237.8	242.0	245.5	246.8
Beverages, alcoholic	139.7	148.2	161.3	160.7	167.0	168.2	170.0	170.6	171.5	172.5
Beverages, nonalcoholic	198.1	211.6	227.7	225.0	232.9	241.2	244.5	247.1	250.4	259.0
Apparel	147.3	152.4	160.3	159.8	162.3	165.3	167.3	168.3	169.1	169.7
Footwear	168.7	183.0	217.8	216.3	227.3	228.5	228.1	231.8	231.9	231.9
Tobacco products	179.8	198.5	217.7	214.4	226.3	236.3	236.9	237.1	237.6	244.6
Intermediate materials[4]	201.7	215.5	242.7	238.2	258.7	265.9	271.1	273.2	274.5	275.8
Materials for food manufacturing	181.7	202.3	223.5	222.4	230.4	226.0	245.1	239.8	238.7	255.4
Flour	118.9	141.6	172.1	166.8	185.6	182.1	188.1	183.0	176.9	183.5
Refined sugar[5]	n.a.	109.3	119.3	116.2	134.1	131.0	182.2	166.3	169.7	212.1
Crude vegetable oils	197.5	219.2	243.7	238.8	227.2	204.3	206.3	195.5	180.7	177.5
Crude materials[6]	214.4	240.1	282.2	282.3	296.2	296.8	308.3	303.3	296.9	300.7
Foodstuffs and feedstuffs	190.9	215.3	247.1	251.9	249.7	243.0	252.6	245.9	235.5	242.9
Fruits and vegetables[2]	192.2	216.5	229.0	228.2	210.5	218.9	220.5	218.3	223.0	243.8
Grains	165.0	182.5	214.8	210.3	227.9	214.6	223.3	217.9	210.8	219.0
Livestock	173.0	220.1	260.3	280.7	252.5	247.8	257.2	251.8	230.5	233.3
Poultry, live	175.4	199.8	194.3	216.3	194.7	195.2	184.6	180.1	171.9	171.3
Fibers, plant and animal	202.3	193.4	209.9	207.6	222.0	239.0	269.5	254.9	266.9	272.7
Milk	202.6	219.7	250.0	242.0	264.0	262.3	263.8	263.1	265.4	265.4
Oilseeds	236.7	224.1	245.5	248.1	230.1	219.7	227.9	217.6	208.9	215.2
Coffee, green	505.1	378.2	416.2	351.3	482.9	433.7	441.2	463.0	448.9	472.3
Tobacco, leaf	176.1	191.5	207.8	206.3	218.4	216.8	214.8	217.7	218.0	n.a.
Sugar, raw cane	149.5	190.2	209.8	195.1	247.7	259.8	373.9	275.2	319.3	454.9
All commodities	194.2	209.3	235.5	232.0	249.7	254.9	259.8	261.5	262.3	263.7
Industrial commodities	195.1	209.4	236.3	231.6	252.8	260.6	265.4	268.2	270.7	271.2
All foods[7]	186.8	206.5	226.3	226.4	232.1	231.1	235.7	234.7	231.7	237.4
Farm products and processed foods and feeds	188.8	206.6	229.8	230.8	234.5	231.9	236.9	234.9	229.2	233.9
Farm products	192.5	212.5	241.4	245.4	242.5	236.4	242.3	239.3	228.9	233.6
Processed foods and feeds	186.1	202.6	222.5	222.0	229.3	228.5	233.1	231.5	228.5	233.1
Cereal and bakery products	173.2	190.3	210.2	204.9	223.6	225.4	229.7	231.3	231.5	233.5
Sugar and confectionery	177.5	197.8	214.7	207.6	234.4	235.0	287.1	263.6	274.8	327.4
Beverages	200.9	200.0	210.8	205.3	221.9	224.0	224.7	226.0	227.9	231.4
Wholesale spot prices, 9 foodstuffs	208.2	239.1	255.6	254.4	255.4	249.5	257.2	245.0	235.0	244.4

[1] Commodities ready for sale to ultimate consumer. [2] Fresh and dried. [3] Consumer size packages, Dec. 1977=100. [4] Commodities requiring further processing to become finished goods. [5] For use in food manufacturing. [6] Products entering market for the first time which have not been manufactured at that point. [7] Includes all processed food (except soft drinks, alcoholic beverages, and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables. n.a.=not available.

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Consumer Price Index for all urban consumers, U.S. average (not seasonally adjusted)

	Annual	1979				1980				
	1979	May	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
	1967=100									
Consumer price index, all items	217.4	214.1	225.4	227.5	229.9	233.2	236.4	239.8	242.5	244.9
Consumer price index, less food	213.0	208.9	221.8	224.1	226.4	229.9	233.5	237.1	239.9	242.6
All food	234.5	234.3	238.2	239.1	241.7	243.8	244.9	247.3	249.1	250.4
Food away from home	242.9	241.1	249.6	251.3	253.4	256.1	258.3	260.9	263.0	264.5
Food at home	232.9	233.4	235.4	236.0	238.7	240.6	241.3	243.8	245.3	246.5
Meats[1]	241.9	252.1	238.6	237.4	242.3	244.1	244.1	245.7	242.6	239.2
Beef and veal	255.8	270.3	256.2	255.5	262.2	264.6	266.2	269.1	267.0	264.6
Pork	216.4	222.2	204.3	201.0	205.0	206.4	202.8	202.6	197.1	191.8
Poultry	181.5	188.0	170.3	171.6	176.2	187.8	182.6	180.7	177.2	176.5
Fish	302.3	297.2	311.5	312.2	312.6	316.7	320.4	322.6	325.3	324.5
Eggs	172.8	172.9	161.3	170.1	185.9	178.2	157.2	164.5	161.2	148.4
Dairy products[2]	207.1	203.8	213.3	216.0	216.9	218.4	219.5	220.3	222.4	226.2
Fats and oils[3]	226.3	225.3	231.9	232.3	233.0	233.9	235.9	236.8	238.3	239.5
Fruits and vegetables	230.0	226.8	232.0	229.5	230.2	229.8	228.3	232.4	240.9	246.6
Fresh	235.0	231.0	235.5	230.1	230.1	227.2	223.1	229.9	245.2	255.1
Processed	226.6	224.2	230.1	231.0	232.3	234.7	236.2	237.2	238.4	239.4
Cereals and bakery products	220.1	216.2	227.0	228.7	231.6	234.2	236.8	238.8	242.0	244.5
Sugar and sweets	277.6	276.3	283.1	283.2	284.6	289.8	297.5	313.5	319.6	326.8
Beverages, nonalcoholic	357.8	349.3	372.1	374.3	375.4	378.5	384.5	387.1	390.3	393.0
Apparel commodities less footwear	158.5	158.4	162.3	162.9	163.0	161.1	161.8	166.2	167.2	170.1
Footwear	176.7	175.0	182.6	183.8	184.3	183.7	184.6	187.0	188.3	189.3
Tobacco products	187.9	186.3	191.3	191.5	192.1	196.7	198.1	198.4	198.8	200.4
Beverages, alcoholic	172.4	171.5	176.0	177.4	178.0	179.3	180.4	181.7	183.9	185.4

[1] Beef, veal, lamb, pork, and processed meat. [2] Includes butter. [3] Excludes butter.

Farm-Retail Price Spreads

Farm-retail price spreads

	Annual			1979		1980p				
	1977	1978	1979p	May	Dec	Jan	Feb	Mar	Apr	May
Beef, Choice:[1]										
Retail price[2] (cts./lb.)	148.4	181.9	226.3	240.2	232.6	234.5	234.8	236.2	233.3	230.4
Net carcass value[3] (cts.)	93.8	119.3	150.5	160.4	155.7	152.1	154.6	153.9	148.2	152.2
Net farm value[4] (cts.)	85.5	111.1	140.8	150.5	144.3	139.4	145.0	145.1	138.2	142.7
Farm-retail spread (cts.)	62.9	70.8	85.5	89.7	88.3	95.1	89.8	91.1	95.1	87.7
Carcass-retail spread[5] (cts.)	54.6	62.6	75.8	79.8	76.9	82.4	80.2	82.3	85.1	78.2
Farm-carcass spread[6] (cts.)	8.3	8.2	9.7	9.9	11.4	12.7	9.6	8.8	10.0	9.5
Farm value/retail price (%)	58	61	62	63	62	59	62	61	59	62
Pork:[1]										
Retail price[2] (cts./lb.)	125.4	143.6	144.1	149.3	136.3	135.3	133.2	133.3	127.8	123.6
Wholesale value[3] (cts.)	99.0	107.7	100.4	99.9	95.6	93.3	91.3	88.0	79.7	79.5
Net farm value[4] (cts.)	65.6	76.6	66.6	68.2	60.7	59.1	59.0	53.6	45.6	46.6
Farm-retail spread (cts.)	59.8	67.0	77.5	81.1	75.6	76.2	74.2	79.7	82.2	77.0
Wholesale-retail spread[5] (cts.)	26.4	35.9	43.8	49.4	40.7	42.0	41.9	45.3	48.1	44.1
Farm-wholesale spread[6] (cts.)	33.4	31.1	33.7	31.7	34.9	34.2	32.3	34.4	34.1	32.9
Farm value/retail price (%)	52	53	46	46	44	44	44	40	36	38

[1] Revised series, for historical data and methology see August 1978 issue of *Livestock and Meat Situation*, LMS-222. [2] Estimated weighted average price of retail cuts from pork and yield grade 3 beef carcasses. Retail prices from USDA's meat price survey. [3] Value of carcass quantity equivalent to 1 lb. of retail cuts—beef adjusted for value of fat and bone byproducts. [4] Market value to producer for quantity of live animal equivalent to 1 lb. retail cuts minus value of byproducts. [5] Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. [6] Represents charges made for livestock marketing, processing, and transportation to city where consumed. p Preliminary.

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Market basket of farm foods

	Annual		1979p			1980p				
	1977	1978	1979p	May	Dec.	Jan.	Feb.	Mar.	Apr.	May
Market basket[1]:										
Retail cost (1967=100)	179.2	199.4	222.7	224.2	227.5	229.2	229.1	231.2	232.7	233.6
Farm value (1967=100)	178.1	208.0	231.8	233.8	230.6	227.5	230.2	224.7	217.0	222.4
Farm-retail spread (1967=100)	180.0	194.1	217.2	218.3	225.5	230.2	228.4	235.1	242.2	240.4
Farm value/retail cost (%)	37.5	39.4	39.3	39.4	38.3	37.5	37.9	36.7	35.2	35.9
Meat products:										
Retail cost (1967=100)	174.3	206.8	241.9	252.1	242.3	244.1	244.1	245.7	242.6	239.2
Farm value (1967=100)	169.8	211.5	243.8	252.1	233.1	228.7	236.1	225.7	204.4	207.4
Farm-retail spread (1967=100)	180.0	200.6	239.4	252.1	254.2	264.1	254.4	271.7	292.2	280.5
Farm value/retail cost (%)	55.0	57.8	56.9	56.5	54.3	52.9	54.6	51.9	47.6	49.0
Dairy products:										
Retail cost (1967=100)	173.3	185.5	207.0	203.8	216.9	218.4	219.5	220.3	222.4	226.2
Farm value (1967=100)	187.2	204.7	233.0	227.8	248.3	243.5	244.8	245.6	247.5	252.7
Farm-retail spread (1967=100)	161.3	168.8	184.4	182.9	189.6	196.5	197.4	198.3	200.5	203.1
Farm value/retail cost (%)	50.3	51.4	52.4	52.0	53.3	51.9	51.9	51.9	51.8	52.0
Poultry:										
Retail cost (1967=100)	158.1	172.9	181.5	188.0	176.2	187.8	182.6	180.7	177.2	176.5
Farm value (1967=100)	178.5	202.1	198.3	224.4	196.4	207.1	193.3	184.5	172.1	178.4
Farm-retail spread (1967=100)	138.4	144.7	165.2	152.8	156.6	169.1	172.2	177.0	182.2	174.7
Farm value/retail cost (%)	55.5	57.5	53.7	58.7	54.8	54.2	52.1	50.2	47.8	49.7
Eggs:										
Retail cost (1967=100)	169.1	157.8	172.8	172.9	185.9	178.2	157.2	164.5	161.2	148.4
Farm value (1967=100)	187.5	178.9	199.2	180.5	225.3	193.6	164.7	186.6	179.7	151.8
Farm-retail spread (1967=100)	142.5	127.3	134.6	161.9	129.0	155.9	146.4	132.5	134.4	143.4
Farm value/retail cost (%)	65.5	67.0	68.1	61.7	71.6	64.2	61.9	67.1	65.9	60.5
Cereal and bakery products:										
Retail cost (1967=100)	183.7	199.9	220.2	216.2	231.6	234.2	236.8	238.6	242.0	244.5
Farm value (1967=100)	138.2	163.9	190.0	181.6	199.7	201.6	211.9	201.5	199.4	215.5
Farm-retail spread (1967=100)	193.2	207.3	226.3	223.4	238.2	240.9	241.9	246.3	250.8	250.5
Farm value/retail cost (%)	12.9	14.1	14.8	14.4	14.8	14.8	15.4	14.5	14.1	15.1
Fresh fruits:										
Retail cost (1967=100)	187.9	230.1	258.5	259.3	239.9	238.8	238.8	249.2	263.2	270.9
Farm value (1967=100)	177.2	237.9	239.6	227.6	241.6	198.9	206.1	221.4	227.9	232.4
Farm-retail spread (1967=100)	192.7	226.6	267.0	273.5	239.2	256.7	253.5	261.7	279.1	288.2
Farm value/retail cost (%)	29.2	32.0	28.7	27.2	31.2	25.8	26.7	27.5	26.8	26.6
Fresh Vegetables:										
Retail costs (1967=100)	200.8	216.2	222.5	213.6	225.7	221.2	211.2	215.6	234.2	246.2
Farm value (1967=100)	205.4	215.7	206.7	183.4	179.0	175.3	154.5	164.6	206.7	205.7
Farm-retail spread (1967=100)	198.3	216.5	229.9	227.8	247.7	242.7	237.9	239.4	247.1	265.2
Farm value/retail cost (%)	32.8	31.9	29.7	27.4	25.4	25.4	23.4	24.4	28.2	26.7
Processed fruits and vegetables:										
Retail cost (1967=100)	190.2	208.7	226.6	224.2	232.3	234.7	236.2	237.2	238.4	239.4
Farm value (1967=100)	188.5	221.9	236.5	234.2	248.4	247.8	245.5	241.9	236.6	240.9
Farm-retail spread (1967=100)	190.6	205.8	224.4	222.0	228.7	231.8	234.2	236.2	238.8	239.1
Farm value/retail costs (%)	18.0	19.3	18.9	18.9	19.4	19.1	18.8	18.5	18.0	18.2
Fats and oils:										
Retail cost (1967=100)	192.0	209.6	226.3	225.3	233.0	233.9	235.9	236.8	238.3	239.5
Farm value (1967=100)	249.3	257.4	277.4	281.0	264.1	263.6	244.6	234.4	224.6	218.2
Farm-retail spread (1967=100)	169.9	191.1	206.7	203.9	221.0	222.5	232.5	237.7	243.6	247.7
Farm value/retail cost (%)	36.1	34.1	34.0	34.8	31.5	31.3	28.8	27.5	26.2	25.3

[1] Market basket statistics are based on the weighting structure of the Consumer Price Index for all urban consumers (CPI-U). Retail costs are based on indexes of retail prices for domestically produced farm foods from the CPI-U published monthly by the Bureau of Labor Statistics. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods.

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Transportation Data

Rail rates, grain and fruit and vegetable shipments

	Annual			1979		1980				
	1977	1978	1979	May	Dec	Jan	Feb	Mar	Apr	May
Rail freight rate index[1]										
All products (1969=100)	199.1	213.0	243.4	233.7	264.5	264.7	267.7	269.8	279.7	279.7
Farm products (1969=100)	191.3	204.9	235.0	225.4	257.4	257.4	260.7	263.5	267.8	263.9
Food products (1969=100)	195.3	210.0	239.5	229.7	260.5	260.6	263.8	265.7	276.0	276.2
Rail carloadings of grain (thou. cars)[2]	23.9	25.8	27.5	26.2	30.4	30.5	31.0	30.2	26.5	23.6
Barge shipments of grain (mil. bu.)[3]	29.3	31.3	31.2	33.1	28.4	25.6	25.2	32.7	36.2	33.0
Fresh fruit and vegetable shipments										
Rail (thou. cwt.)[2 4 5]	1,552	915	1,067	1,217	974	1,106	1,097	1,145	1,476	1,223
Truck (thou. cwt.)[3 4 5]	6,596	7,322	7,307	8,883	7,648	7,160	7,478	7,736	7,706	8,403

[1] Department of Labor, Bureau of Labor Statistics. [2] Weekly average; from Association of American Railroads. [3] Weekly average; from Agricultural Marketing Service, USDA. [4] Preliminary data for 1980. [5] Typical truck loads are about 40,000 pounds and average railcar loads in 1975 were about 60,000 pounds.

Livestock and Products

Livestock and products output and prices

	1978	1979					1980				
	Annual	I	II	III	IV	Annual	I	II[1]	III[1]	IV[1]	Annual[1]
Beef (mil. lb.)	24,010	5,547	5,076	5,222	5,416	21,261	5,244	5,260	5,100	5,400	21,004
Change (pct.)[2]	-4	-9	-15	-12	-10	-11	-5	+4	-2	0	-1
Pork (mil. lb.)	13,209	3,395	3,754	3,775	4,346	15,270	4,124	4,300	4,000	4,250	16,674
Change (pct.)[2]	+1	+5	+15	+19	+23	+16	+21	+15	+6	-2	+9
Veal (mil. lb.)	600	113	98	99	100	410	91	87	75	80	333
Change (pct.)[2]	-24	-37	-34	-29	-25	-32	-19	-11	-24	-20	-19
Lamb and mutton (mil. lb.)	300	71	71	69	73	284	81	80	70	70	301
Change (pct.)[2]	-12	-5	-7	-5	-4	-5	+14	+13	+1	-4	+6
Red meats (mil. lb.)	38,119	9,126	8,999	9,165	9,935	37,225	9,540	9,727	9,245	9,800	38,312
Change (pct.)[2]	-3	-5	-4	-1	+1	-2	+5	+8	+1	-1	+3
Broilers(mil. lb.)	9,884	2,551	2,844	2,855	2,665	10,915	2,722	2,925	2,775	2,575	10,997
Change (pct.)[2]	+7	+10	+12	+11	+9	+10	+7	+3	-3	-3	+1
Turkeys (mil. lb.)	1,984	271	465	720	725	2,181	374	560	755	720	2,409
Change (pct.)[2]	+5	+19	+16	+6	+7	+10	+38	+20	+5	-1	+10
Total meats (mil. lb.)	49,987	11,948	12,308	12,740	13,325	50,321	12,636	13,212	12,775	13,095	51,718
Change (pct.)[2]	-1	-3	-1	+2	+3	+1	+6	+7	+0	-2	+3
Eggs (mil. doz.)	5,606	1,423	1,434	1,436	1,477	5,769	1,464	1,420	1,420	1,475	5,779
Change (pct.)[2]	+4	+3	+3	+4	+2	+3	+3	-1	-1	0	0
Milk (bil. lb.)	[3]121.6	29.8	32.8	31.2	29.8	123.6	31.1	33.9	31.7	30.0	126.7
Change (pct.)[2]	-1	0	+1	+3	+3	+2	+4	+3	+2	+1	+3
Total livestock and products (1974=100)	105.7	101.9	106.7	107.5	109.0	106.3	106.6	112.1	107.9	108.1	108.7
Change (pct.)[2]	-.5	-1.0	-.6	+1.4	+3.2	+.6	+4.6	+5.1	+.4	-.8	2.3

See footnotes at end of table.

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Livestock and products output and prices--Continued

	1978	1979				1980					
	Annual	I	II	III	IV	Annual	I	II[1]	III[1]	IV	Annual
Prices											
Choice steers, Omaha ($ per cwt.)	52.34	65.42	72.51	65.88	66.86	67.67	66.85	64.50	68-70	68-72	66-69
Barrows and gilts, 7-markets ($ per cwt.)	48.49	51.98	43.04	38.52	36.39	42.06	36.31	31.10	36-38	38-40	35-37
Broilers, 9-city wholesale (cts. per lb.)[4]	44.5	47.5	47.7	40.8	41.7	44.4	43.0	40.5	42-45	41-44	41-43
Turkeys, N.Y., wholesale (cts. per lb.)[5]	66.7	70.2	66.2	63.1	73.0	68.1	59.0	53.5	55-58	58-61	56-58
Eggs, cartoned, Grade A large, N.Y. (cts. per doz.)	61.7	71.9	66.1	65.2	69.4	68.2	62.1	57.8	62-64	68-70	62-64
Milk, all at farm ($ per cwt.)	10.60	11.87	11.53	12.00	12.77	12.00	12.77	12.57	12.80-13.20	13.90-14.40	13.00-13.25
Livestock prices received by farmers (1967=100)	217	263	265	248	252	257	253	234	255	262	252

[1] Forecast. [2] Change from year-earlier. [3] Does not add due to quarterly data. [4] Weighted average. [5] 8-16 pound young hens.

Dairy:

	Annual			1979		1980				
	1977	1978	1979	May	Dec	Jan	Feb	Mar	Apr	May
Milk Production:										
Total milk (mil. lb.)	122,698	121,609	123,623	11,226	10,061	10,260	9,917	10,881	10,941	11,609
Milk per cow (lb.)	11,181	11,218	11,471	1,044	931	951	920	1,009	1,015	1,075
Number of milk cows (thou.)	10,974	10,841	10,777	10,750	10,803	10,785	10,781	10,783	10,780	10,797
Milk prices, Minnesota-Wisconsin, 3.5% fat ($/cwt.)[1]	8.58	9.57	10.91	10.67	11.34	11.37	11.35	11.59	11.68	11.66
Price of 16% dairy ration ($/ton)	140	138	156	150	166	166	163	164	164	165
Milk-feed price ratio (lb.)[2]	1.39	1.53	1.54	1.53	1.54	1.54	1.57	1.55	1.55	1.53
Stocks, beginning										
Total milk equiv. (mil. lb.)[3]	5,708	8,626	8,730	9,006	8,883	8,599	8,897	9,096	9,237	9,886
Commercial (mil. lb.)	5,299	4,916	4,475	5,300	5,667	5,419	5,476	5,469	5,567	5,958
Government (mil. lb.)	410	3,710	4,254	3,707	3,216	3,180	3,422	3,628	3,670	3,929
Imports, total equiv. (mil. lb.)[3]	1,968	2,310	2,305	156	425	174	102	90	104	n.a.
USDA net removals										
Total milk equiv. (mil. lb.)[3]	6,080	2,743	2,119	573.5	357.8	732.0	434.9	307.0	1,306.0	1,630.0
Butter										
Production (mil. lb.)	1,085.6	994.3	984.6	99.2	84.0	103.8	99.1	101.7	111.1	116.4
Stocks, beginning (mil. lb.)	47.1	184.9	206.9	218.2	182.1	177.8	191.2	203.3	214.2	234.1
Wholesale price, Grade A Chi. (cts./lb.)	98.4	109.8	122.4	121.8	130.2	130.2	130.3	130.4	134.3	136.9
USDA net removals (mil. lb.)	221.8	112.0	81.6	26.8	7.2	26.7	10.4	4.0	51.8	60.8
Commercial disappearance (mil. lb.)	859.8	903.5	895.0	64.2	78.8	73.5	86.1	89.9	46.5	n.a.
American cheese										
Production (mil. lb.)	2,043.1	2,074.2	2,187.7	210.5	175.4	182.0	176.5	194.5	203.6	230.5
Stocks, beginning (mil. lb.)	411.4	422.1	378.8	378.5	424.3	406.6	404.6	400.3	391.4	416.1
Wholesale price, Wis. assembly pt. (cts./lb.)	96.8	107.1	123.8	121.1	125.0	125.6	126.0	129.6	131.4	131.0
USDA net removals (mil. lb.)	148.2	39.7	40.2	1.7	21.0	18.0	22.1	22.6	23.7	37.7
Commercial disappearance (mil. lb.)	1,958.8	2,064.7	2,110.9	170.1	181.3	170.3	159.6	178.7	167.5	n.a.
Other Cheese:										
Production (mil. lb.)	1,315.5	1,445.5	1,527.6	130.0	133.3	128.5	121.3	146.6	129.3	129.1
Stocks, beginning (mil. lb.)	67.1	64.0	78.4	84.6	104.0	105.6	111.8	110.9	109.2	106.9
Commercial disappearance (mil. lb.)	1,512.3	1,655.5	1,730.7	141.5	176.0	133.1	128.9	157.3	142.1	n.a.
Nonfat dry milk:										
Production (mil. lb.)	1,106.6	920.4	908.7	108.5	71.9	75.0	75.8	90.1	112.0	133.4
Stocks, beginning (mil. lb.)	485.4	677.9	585.1	518.1	485.2	485.2	454.4	448.6	444.8	483.3
Wholesale price, avg. manf. (cts./lb.)	66.5	71.4	80.0	79.4	84.1	83.9	83.9	84.1	87.3	88.7
USDA net removals (mil. lb.)	461.7	285.0	255.3	44.8	25.8	34.9	32.1	26.2	59.6	89.7
Commercial disappearance (mil. lb.)	682.2	658.4	603.1	38.2	38.0	48.2	49.3	61.2	21.0	n.a.
Frozen dessert production (mil. gal.)[6]	1,167.6	1,173.5	1,152.9	108.5	70.8	77.1	80.0	94.2	98.3	106.8

[1] Manufacturing grade milk. [2] Pounds of 16% protein ration equal in value to 1 pound of milk. [3] Milk equivalent, fat-solids basis. [4] Domestic sales exceeded purchases. [5] Less than 50,000 pounds. [6] Ice cream, ice milk, and sherbert. n.a. = not available.

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Meat animals:

	Annual			1979		1980				
	1977	1978	1979	May	Dec	Jan	Feb	Mar	Apr	May
Cattle on feed (7-States)										
Number on feed (thou. head)[1]	8,213	8,927	9,226	7,668	8,269	8,454	7,957	7,443	7,156	6,828
Placed on feed (thou. head)[2]	20,809	22,593	19,877	1,851	1,649	1,366	1,206	1,310	1,247	1,602
Marketings (thou. head)	18,701	20,297	18,793	1,603	1,331	1,697	1,565	1,480	1,445	1,369
Other disappearance (thou. head)	1,383	1,997	1,856	218	133	166	155	117	130	208
Beef steer-corn price ratio, Omaha (bu.)[3]	19.9	24.8	28.7	26.5	29.1	29.3	28.9	30.0	27.2	26.6
Hog-corn price ratio, Omaha (bu.)[3]	20.2	22.9	18.1	15.2	15.1	16.5	16.1	15.2	12.3	12.0
Commercial slaughter (thou. head)[4]										
Cattle	41,856	39,552	33,650	2,793	2,651	2,923	2,645	2,572	2,712	2,782
Steers	19,342	18,526	17,363	1,484	1,357	1,540	1,418	1,394	1,467	1,525
Heifers	11,748	11,758	9,725	775	713	769	714	692	765	787
Cows	9,864	8,470	5,923	482	530	555	460	435	480	459
Bulls and stags	902	798	639	45	51	58	53	51	46	58
Calves	5,517	4,170	2,824	214	216	235	205	221	206	184
Sheep and lambs	6,356	5,369	5,017	435	403	462	431	485	485	469
Hogs	77,303	77,315	89,089	7,560	7,637	8,416	7,603	8,210	8,869	8,551
Commercial production (mil. lb.)										
Beef	24,986	24,010	21,254	1,765	1,694	1,884	1,707	1,653	1,739	1,785
Veal	794	600	413	33	30	33	28	30	30	29
Lamb and mutton	341	300	284	25	23	27	25	28	28	27
Pork	13,051	13,209	15,290	1,307	1,328	1,449	1,287	1,388	1,514	1,473
Market prices					Dol. per 100 pounds					
Slaughter cattle:										
Choice steers, Omaha	40.38	52.34	67.67	73.99	67.78	66.32	67.44	66.80	63.07	64.58
Utility cows, Omaha	25.32	36.79	50.10	57.00	46.98	47.94	51.22	48.80	45.73	42.78
Choice vealers, S. St. Paul	48.19	69.24	91.41	110.35	70.00	70.00	70.88	73.88	73.60	71.88
Feeder cattle:										
Choice, Kansas City, 600-700 lb.	40.19	58.78	83.08	88.32	82.80	80.52	83.18	77.62	69.87	69.18
Slaughter hogs:										
Barrows and gilts, 7-markets	41.07	48.49	42.06	43.79	38.45	37.49	37.51	33.94	28.86	29.50
Feeder pigs:										
S. Mo. 40-50 lb. (per head)	35.42	48.16	35.26	40.89	25.82	29.52	34.84	29.97	23.86	20.37
Slaughter sheep and lambs:										
Lambs, Choice, San Angelo	54.28	65.33	68.45	73.20	68.12	67.40	66.31	68.62	65.50	61.75
Ewes, Good, San Angelo	19.19	28.97	32.82	32.85	27.17	26.50	30.62	32.65	27.90	25.00
Feeder lambs:										
Choice, San Angelo	55.12	75.61	77.53	76.15	79.83	77.88	79.00	70.50	64.00	57.42
Wholesale meat prices, Midwest[5]										
Choice steer beef, 600-700 lb.	62.69	80.43	101.62	108.64	105.53	102.26	103.70	103.15	99.41	102.00
Canner and Cutter cow beef	51.58	74.61	100.23	105.22	96.72	98.98	101.00	97.69	92.68	87.70
Pork loins, 8-14 lb.	83.04	95.99	91.35	92.06	83.97	80.76	81.28	76.24	70.90	70.73
Pork bellies, 12-14 lb.	54.19	62.50	46.00	46.57	40.88	38.75	34.64	35.00	27.85	29.40
Hams, skinned, 14-17 lb.	76.50	86.37	77.04	72.29	80.15	64.94	66.81	67.08	56.46	0

	Annual			1979				1980		
	1977	1978	1979	I	II	III	IV	I	II	III
Cattle on feed (23-States):										
Number on feed (thou. head)[1]	11,948	12,811	12,681	12,681	11,074	10,309	9,938	11,713	10,203	–
Placed on feed (thou. head)[2]	27,651	29,073	26,062	5,853	6,149	5,957	8,077	5,217	–	–
Marketings (thou. head)	24,853	26,645	24,600	6,747	6,146	5,976	5,731	6,155	–	–
Other disappearance (thou. head)[2]	1,935	2,558	2,404	713	768	352	571	572	–	–
Hogs and pigs (14-States):[6]										
Inventory (thou. head)[1]	47,120	48,308	51,220	51,220	50,935	55,540	57,270	57,330	55,005	55,140
Breeding (thou. head)[7]	6,788	7,324	8,095	8,095	8,333	8,696	8,277	8,082	8,099	7,829
Market (thou. head)[1]	40,332	40,984	43,125	43,125	42,602	46,844	48,993	48,811	46,636	47,311
Farrowings (thou. head)	10,362	10,609	12,320	2,660	3,486	3,159	3,043	2,745	3,391	–
Pig crop (thou. head)	74,161	75,564	87,412	18,266	24,994	22,606	21,546	19,627	–	–

[1] Beginning of period. [2] Other disappearance excluded in 1973; not comparable with 1974 and 1975. [3] Bushels of corn equal in value to 100 pounds liveweight. [4] 220-240 lb. Beginning in January 230-240 lb. [5] Prior to Oct. 1975, Chicago. [6] Quarter are Dec. preceding year-Feb. (I), Mar-May (II), June-Aug (III), and Sept-Nov (IV). [7] Intentions [8] Classes estimated.

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Wool:

	Annual			1979		1980				
	1977	1978	1979	May	Dec	Jan	Feb	Mar	Apr	May
U.S. wool price, Boston[1] (cts./lb.)	183	189	218	220	233	238	253	256	231	225
Imported wool price, Boston[2] (cts./lb.)	224	230	257	271	242	245	267	265	258	253
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	95,485	102,246	101,206	8,521	8,110	11,348	10,202	9,818	11,328	n.a.
Carpet wool (thou. lb.)	12,526	13,009	9,846	814	357	999	795	859	901	n.a.

[1] Wool price delivered at U.S. mills, clean basis, Graded Territory 64's (20.60-22.04 microns) staple 2¾" and up. Prior to January 1976 reported as: Territory fine, good French combing and staple. [2] Wool price delivered at U.S. mills, clean basis. Australian 60/62's, type 64A (24 micron), including duty (25.5 cents). Duty in 1980 is 20.0 cents. Prior to January 1976 reported as: Australian 64's combing, excluding duty, n.a. not available.

Poultry and eggs:

	Annual			1979		1980				
	1977	1978	1979	May	Dec	Jan	Feb	Mar	Apr	May
Eggs										
Farm production (mil.)	64,888	67,278	69,227	5,853	6,061	6,035	5,586	5,949	5,699	5,781
Average number of layers on farms (mil.)	275	282	288	284	295	294	290	286	282	279
Rate of lay (eggs per layer)	236	239	240	20.6	20.5	20.5	19.2	20.8	20.2	20.7
Cartoned price, New York, grade A large (cts./doz.)[1]	63.3	61.7	68.2	62.6	75.3	62.5	60.0	64.0	60.3	55.1
Price of laying feed ($/ton)	152	152	168	163	174	173	172	174	173	176
Egg-feed price ratio (lb.)[2]	7.3	6.9	7.0	6.9	7.3	6.6	5.9	6.3	6.0	5.3
Stocks, beginning of period:										
Shell (thou. cases)	28	39	38	20	24	38	47	24	23	31
Frozen (mil. lb.)	26.1	29.7	25.3	21.7	23.4	23.4	22.3	23.8	23.3	23.4
Replacement chicks hatched (mil.)	502	492	519	55.9	36.4	38.1	42.0	45.8	46.6	46.6
Broilers										
Federally inspected slaughter, certified (mil. lb.)	9,227	9,883	10,916	1,013.5	807.2	955.2	867.7	899.1	977.7	n.a.
Wholesale price, 9-city, (cts./lb.)	40.8	44.5	44.4	49.4	45.5	45.8	42.7	40.5	38.9	41.1
Price of broiler grower feed ($/ton)	171	169	189	184	195	193	194	193	193	189
Broiler-feed price ratio (lb.)[2]	2.7	3.1	2.8	3.2	2.6	2.8	2.6	2.5	2.3	2.5
Stocks, beginning of period (mil. lb.)	32.9	29.4	20.1	17.1	31.6	30.6	26.7	30.9	30.6	31.7
Average weekly placements of broiler chicks, 21 States (mil.)	66.6	70.9	76.3	83.6	75.3	78.0	80.3	82.8	82.3	81.5
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	1,892	1,983	2,182	157.3	165.5	141.1	109.4	123.2	141.4	n.a.
Wholesale price, New York, 8-16 lb. young hens (cts./lb.)	54.0	66.7	68.1	65.2	75.4	62.3	57.8	56.8	54.1	53.3
Price of turkey grower feed ($/ton)	184	182	202	201	208	204	202	203	200	204
Turkey-feed price ratio (lb.)[2]	3.8	4.6	4.1	4.2	4.3	3.8	3.6	3.5	3.4	3.1
Stocks, beginning of period (mil. lb.)	203.4	167.9	175.1	128.0	281.2	240.0	247.5	223.6	208.8	203.3
Poults hatched (mil.)	148.4	157.5	180.0	22.0	12.2	15.8	16.4	20.4	21.1	21.1

[1] Price of cartoned eggs to volume buyers for delivery to retailers. [2] Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight.

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Crops and Products

Feed grains:

	Marketing year[1]			1979		1980				
	1976/77	1977/78	1978/79	May	Dec	Jan	Feb	Mar	Apr	May
Wholesale prices:										
Corn, No. 2 yellow, Chicago ($/bu.)	2.30	2.26	2.54	2.66	2.69	2.54	2.65	2.60	2.61	2.70
Sorghum, No. 2 yellow, Kansas City ($/cwt.)	3.49	3.54	4.00	3.92	4.57	4.21	4.35	4.20	4.09	4.31
Barley, feed, Minneapolis ($/bu.)	2.35	1.68	1.80	1.96	2.15	2.09	2.04	2.06	2.12	2.09
Barley, malting, Minneapolis ($/bu.)[2]	3.13	2.27	2.38	2.73	2.93	2.87	2.81	2.69	2.73	2.82
Exports:										
Corn (mil. bu.)	1,684	1,948	2,133	188	224	191	186	205	214	385
Feed grains (mil. metric tons)[3]	50.6	56.3	60.2	5.5	6.5	5.9	5.8	6.1	6.5	5.1

	Marketing year[1]			1978	1979			1980		
	1976/77	1977/78	1978/79	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May p
Corn:										
Stocks, beginning (mil. bu.)	399	884	1,104	1,104	6,203	4,423	3,232	1,286	6,773	4,780
Domestic use:										
Feed (mil. bu.)	3,587	3,709	4,198	1,397	1,224	695	881	1,473	1,276	675
Food, seed, ind. (mil. bu.)	513	551	575	137	129	109	201	141	135	116
Feed grains:[3]										
Stocks, beginning (mil. metric tons)	17.2	29.9	41.2	52.7	190.4	135.1	99.4	55.0	203.4	142.1
Domestic use:										
Feed (mil. metric tons)	112.7	117.9	133.6	44.0	38.3	21.2	30.1	45.7	39.0	20.2
Food, seed, ind. (mil. metric tons)	17.7	18.8	19.6	4.5	4.5	4.0	6.6	4.7	4.6	4.3

[1] Beginning October 1 for corn and sorghum; June 1 for oats and barley. [2] No. 3 or better, 65% or better, plump beginning October 1977. [3] Aggregated data for corn, sorghum, oats, and barley. p Preliminary.

Food grains:

	Marketing year[1]			1979		1980				
	1976/77	1977/78	1978/79	May	Dec	Jan	Feb	Mar	Apr	May
Wholesale prices:										
Wheat, No. 1 HRW, Kansas City ($/bu.)[2]	2.88	2.72	3.38	3.64	4.51	4.33	4.32	4.07	3.90	4.10
Wheat, DNS, Minneapolis ($/bu.)[3]	2.96	2.66	3.17	3.62	4.18	4.06	4.13	4.04	3.94	4.21
Flour, Kansas City ($/cwt.)	7.21	6.60	7.81	8.80	10.46	10.00	10.26	9.81	9.49	10.01
Flour, Minneapolis ($/cwt.)	8.34	7.34	8.17	9.01	10.44	10.09	10.41	10.11	9.69	10.38
Rice, S.W. La. ($/cwt.)[3]	14.60	21.30	18.40	21.50	21.00	20.60	22.50	24.30	24.00	23.25
Wheat:										
Exports (mil. bu.)	950	1,124	1,194	86	122	86	94	103	102	92
Mill grind (mil. bu.)	628	616	622	55	50	55	50	49	47	—
Wheat flour production (mil. cwt.)	279	275	278	25	23	25	23	22	21	—

	Marketing year[1]			1978	1979			1980		
	1976/77	1977/78	1978/79	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May
Wheat:										
Stocks, beginning (mil. bu.)	665	1,112	1,177	2,138	1,633	1,226	925	2,272	1,716	1,225
Domestic use:										
Food (mil. bu.)	588	586	592	154	147	99	198	157	145	—
Feed and seed (mil. bu.)[4]	160	263	265	43	36	34	86	11	63	—
Exports (mil. bu.)	950	1,124	1,194	309	224	168	511	388	283	193

[1] Beginning June 1 for wheat and August 1 for rice. [2] Ordinary protein. [3] Long-grain, milled basis. [4] Feed use approximated by residual.

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Vegetables:

	Annual			1979		1980				
	1977	1978	1979	May	Dec	Jan	Feb	Mar	Apr	May
Wholesale prices:										
Potatoes, white, f.o.b. East ($/cwt.)	5.52	5.20	4.54	4.60	4.10	4.00	3.78	3.56	3.09	4.56
Iceberg lettuce ($/ctn.)[1]	3.23	5.10	5.10	5.13	2.59	2.61	3.17	4.06	5.85	6.51
Tomatoes ($/ctn.)[2]	7.21	6.65	7.86	9.72	6.84	7.34	6.07	7.29	10.08	9.36
Wholesale price index, 10 canned veg. (1967=100)	170	175	191	190	191	192	187	184	191	192
Grower price index, fresh commercial veg. (1967=100)	197	209	216	204	199	190	184	214	237	240

[1] Std. carton 24's, f.o.b. shipping point. [2] 5 x 6-6 x 6, f.o.b. Fla-Cal.

Fruit:

	Annual			1979		1980				
	1977	1978	1979	May	Dec	Jan	Feb	Mar	Apr	May
Wholesale price indexes:										
Fresh fruit (1967=100)	177.5	217.6	230.4	234.1	230.2	221.8	242.2	237.5	229.6	244.3
Dried fruit (1967=100)	338.4	355.3	530.7	584.0	381.4	377.0	373.7	373.7	374.8	374.8
Canned fruit and juice (1967=100)	190.4	213.9	240.2	237.0	248.8	252.4	252.0	253.1	254.7	255.3
Frozen fruit and juice (1967=100)	196.5	232.0	248.5	246.5	251.3	251.3	251.3	251.3	247.0	247.4
F.o.b. shipping point prices										
Apples, Yakima Valley ($/ctn.)[1]	n.a	n.a.	n.a.	10.28	11.25	11.31	11.87	12.95	13.02	13.24
Pears, Yakima Valley ($/box)[2]	n.a.	n.a.	n.a.	16.30	11.08	11.49	12.69	15.00	15.02	15.31
Oranges, U.S. avg. ($/box)	7.44	10.69	12.94	12.19	10.81	8.95	9.17	9.49	8.73	8.75
Grapefruit, U.S. avg. ($/box)	6.27	6.72	7.96	9.22	8.52	7.87	7.83	8.02	8.03	8.56
Stocks, beginning:										
Fresh apples (mil. lb.)	[3]2,249.0	[3]2,624.5	[3]2,789.6	352.7	3,376.0	2,207.8	1,586.8	1,044.0	651.2	322.1
Fresh pears (mil. lb.)	[3]211.6	[3]195.3	[3]157.6	4.9	213.8	106.8	77.9	48.5	24.0	2.5
Frozen fruit (mil. lb.)	[3]538 9	[3]517.9	[3]557.2	362.0	584.1	511.0	450.6	395.0	364.0	340.9
Frozen fruit juices (mil. lb.)	[3]844.1	[3]714.0	[3]733.1	1,453.1	652.8	1,044.2	1,284.2	1,404.8	1,546.5	1,768.7

[1] Red Delicious, Washington extra fancy, carton tray pack. 80-125's. [2] D'Anjou pears, Washington wrapped, U.S. No. 1, 90-135's C.A. storage. [3] Stocks as of January 1 of year listed. n.a. = not available.

Cotton:

	Marketing year[1]			1979		1980				
	1976/77	1977/78	1978/79	May	Dec	Jan	Feb	Mar	Apr	May
U.S. price, SLM, 1-1/16 in. (cts./lb.)[2]	70.9	52.7	61.6	60.9	66.2	72.4	80.7	79.2	79.1	78.3
Northern Europe prices:										
Index (cts./lb.)[3]	81.7	70.6	76.1	75.2	82.2	88.7	97.1	93.5	90.6	88.4
U.S., SM 1-1/16 in. (cts./lb.)[4]	82.4	66.0	76.3	76.5	82.3	89.9	98.1	95.2	95.1	95.3
U.S. mill consumption (thou. bales)	6,674.4	6,462.5	6,434.8	504.1	450.0	626.3	530.1	537.2	643.0	—
Exports (thou. bales)	4,783.6	5,484.1	6,180.2	573.2	945.3	775.0	1,077.9	1,207.4	963.1	—

[1] Beginning August 1. [2] Average spot market. [3] Liverpool Outlook "A" index; average of five lowest priced of 10 selected growths. [4] Memphis territory growths.

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Fats and oils:

	Marketing Year[1]			1979		1980				
	1976/77	1977/78	1978/79	May	Dec	Jan	Feb	Mar	Apr	May
Soybeans:										
Wholesale price, No. 1 yellow, Chicago ($/bu.)	7.36	6.11	6.75	716	6.40	6.22	6.38	6.06	580	602
Crushings (mil. bu.)	790.2	927.7	1,017.8	86.9	104.4	106.6	100.0	102.2	91.9	93.7
Processing margin ($/bu.)[2]	.19	.29	.36	.37	.75	.43	.25	.21	.8	19
Exports (mil. bu.)	564.1	723.4	753.0	47.1	78.3	86.4	73.0	69.4	81.3	74.2
Soybean oil:										
Wholesale price, crude, Decatur (cts./lb.)	23.9	23.8	27.4	26.3	26.2	23.6	23.4	22.1	20.3	20.8
Production (mil. lb.)	8,577.9	10,291.4	11,323.0	964.7	1,102.0	1,115.3	1,064.9	1,098.1	993.7	1,008.3
Domestic disappearance (mil. lb.)	7,454.4	8,192.4	894.2	798.7	714.6	809.7	749.5	793.8	696.8	700.7
Exports (mil. lb.)	1,547.5	2,137.1	2,334.0	110.4	264.8	186.0	259.4	333.0	279.5	335.1
Stocks, beginning (mil. lb.)	1,250.6	766.6	771.0	987.3	867.3	1,030.1	1,155.2	1,204.5	1,183.7	1,156.2
Soybean meal:										
Wholesale price, 44% protein, Decatur ($/ton)	199.80	161.87	190.10	188.00	188.00	180.20	174.25	164.60	154.20	166.50
Production (mil. lb.)	18,488.1	22,398.9	24,354.0	2,065.1	2,506.1	2,555.1	2,400.0	2,454.4	2,203.1	2,244.9
Domestic disappearance (thou. ton)	14,000.8	16,287.2	1,772.0	1,636.4	1,703.4	1,804.7	1,463.0	1,513.5	1,593.9	1,424.4
Exports (thou. ton)	4,559.2	7,542.7	6,610	453.6	757.4	806.6	930.0	881.1	661.2	750.7
Stocks, beginning (thou. ton)	354.9	228.3	243	264.7	195.2	240.5	184.3	191.3	251.1	226.1
Margarine, wholesale price, Chicago (cts./lb.)	31.4	39.1	43.5	48.9	51.1	49.0	47.5	47.5	47.5	–

[1] Beginning September 1 for soybeans; October 1 for soy meal and oil; calendar year 1974, 1975, and 1976 for margarine. [2] Spot basis, Illinois shipping points.

Sugar:

	Annual			1979		1980				
	1977	1978	1979	May	Dec	Jan	Feb	Mar	Apr	May
U.S. raw sugar price, N.Y. (cts./lb.)[1]	[4]10.99	–	–	–	18.30	19.66	24.69	21.19	22.67	31.89
U.S. deliveries (thou. short tons)[2] [3]	11,207	10,849	[5]10,755	890	[5]837	[5]782	[5]829	[5]843	809	924

[1] Spot price reported by N.Y. Coffee and Sugar Exchange. Reporting resumed in mid August 1979 after being suspended November 3, 1977. [2] Raw value. [3] Excludes Hawaii. [4] Ten month average. [5] Preliminary.

Tobacco:

	Annual			1979		1980				
	1977	1978	1979	May	Dec	Jan	Feb	Mar	Apr	May
Prices at auctions:										
Flue-cured (cts./lb.)[1]	117.6	135.0	140.1	–	–	–	–	–	–	–
Burley (cts./lb.)[1]	120.0	131.0	145.2	–	147.7	143.9	139.0	–	–	–
Domestic consumption[2]										
Cigarettes (bil.)	592.0	614.3	613.8	62.1	40.0	54.2	–	49.5	52.8	n.a.
Large cigars (mil.)	4,961	4,701	4,297	395.5	300.5	306.7	–	350.7	288.9	n.a.

[1] Crop year July-June for flue-cured, October-September for burley. [2] Taxable removals. n.a. Not available.

Coffee:

	Annual			1979		1980				
	1977	1978	1979	May	Dec	Jan	Feb	Mar	Apr p	May p
Composite green price, N.Y. (cts./lb.)	256.38	162.32	174.27	151.31	196.67	184.11	178.01	189.83	186.00	195.29
Imports, green bean equivalent (mil. lb.)[1]	1,974	2,448	2,656	185	263	282	189	194	220	*175

	Annual			1978	1979				1980	
	1977	1978	1979	Oct-Dec	Jan-Mar	Apr-June	Jul-Sep	Oct-Dec p	Jan-Mar	Apr-June p
Roastings (mil. lb.)[2]	1,892	2,156	2,249	595	619	569	497	564	566	*525

[1] Green and processed coffee. [2] Instant soluble and roasted coffee. p Preliminary. *Forecast.

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Supply and Utilization: Crops

Supply and utilization of major crops[1]

	Domestic measure[2]			Metric measure[2]		
	1978/79	1979/80 Estimated	1980/81 Projected	1978/79	1979/80 Estimated	1980/81 Projected
Wheat:		Mil. acres			Mil. hectares	
Area						
Planted	66.3	71.6	—	26.8	—	—
Harvested	56.9	62.6	—	22.9	—	—
		Bu. per acre			Metric tons per hectare	
Yield per harvested unit	31.6	34.2	—	2.2	—	—
		Mil. bu.			Mil. metric tons	
Beginning stocks	1,177	925	901	32.0	25.2	—
Production	1,798	2,142	2,100-2,450	48.9	58.3	—
Imports	1	2	2	—	—	—
Supply, total	2,976	3,069	3,003-3,353	81.0	83.5	—
Domestic	857	793	745-840	23.3	21.6	—
Exports	1,194	1,375	1,200-1,500	32.5	37.4	—
Use, total	2,051	2,168	2,000-2,300	55.8	59.0	—
Ending stocks	925	901	850-1,300	25.2	24.5	—
		Dol. per bu.			Dol. per metric ton	
Price received by farmers	2.98	[3]3.75	3.45-4.15	109	[3]138	—
Price, Kansas City, No. 1 HRW	3.38	[4]4.25	—	124	[4]156	—
Rice		Mil. acres			Mil. hectares	
Area						
Allotment	1.80	1.80	—	.73	—	—
Planted	2.99	3.00	—	1.23	—	—
Harvested	2.97	2.98	—	1.23	—	—
		Lb. per acre			Metric tons per hectare	
Yield per harvested unit	4,484	4,588	—	5.06	—	—
		Mil. cwt.			Mil. metric tons	
Beginning stocks	27.4	31.6	34.8	1.2	1.5	—
Production	133.2	136.7	135-153	6.0	6.2	—
Imports	.1	—	—	—	—	—
Supply, total	160.7	168.3	169.8-187.8	7.3	7.7	—
Domestic	48.0	50.5	51-55	2.2	2.3	—
Exports	76.9	83.0	78-93	3.5	3.8	—
Use, total	124.9	133.5	130-147	5.7	6.1	—
Ending stocks	31.6	34.8	31-47	1.5	1.6	—
Difference unaccounted	+4.2	—	—	—	—	—
		Dol. per cwt.			Dol. per metric ton	
Price received by farmers	8.16	[3]10.60	9.00-12.00	180	[3]234	—
Price, long-grain milled, S.W. La.	18.41	[4]22.32	—	406	[4]492	—
Feed grains:[5]		Mil. acres			Mil. hectares	
Area						
Planted	122.8	117.6	—	—	—	—
Harvested	104.5	101.2	—	—	—	—
		Metric tons per acre			Metric tons per hectare	
Yield per harvested unit	2.08	2.31	—	—	—	—
		Mil. short tons			Mil. metric tons	
Beginning stocks	—	—	—	41.2	45.9	52.4
Production	—	—	—	217.4	233.9	196-239
Imports	—	—	—	.3	.2	.2
Supply, total	—	—	—	258.9	280.0	248-291
Feed	—	—	—	133.1	135.8	123-139
Food, seed, and industrial uses	—	—	—	19.7	20.7	23-25
Domestic, total	—	—	—	152.8	156.5	146-164
Exports	—	—	—	60.2	71.1	66-77
Use, total	—	—	—	213.0	227.6	215-238
Ending stocks	—	—	—	45.9	52.4	29-53

See footnotes at end of table.

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Supply and utilization of major crops[1]—Continued

	Domestic measure[2]			Metric measure[2]		
	1978/79	1979/80 Estimated	1980/81 Projected	1978/79	1979/80 Estimated	1980/81 Projected
Corn:						
		Mil. acres			Mil. hectares	
Area						
Planted	80.1	80.0	—	31.8	—	—
Harvested	70.3	71.0	—	27.6	—	—
		Bu. per acre			Metric tons per hectare	
Yield per harvested unit	100.8	109.4	—	6.03	—	—
		Mil. bu.			Mil. metric tons	
Beginning stocks	1,104	1,286	1,686	28.0	32.7	—
Production	7,087	7,764	6,500-7,900	180.0	197.2	—
Imports	1	1	1	(6)	(6)	—
Supply, total	8,192	9,051	8,187-9,587	208.1	229.9	—
Feed	4,198	4,350	4,000-4,500	106.6	110.5	—
Food, seed, and industrial uses	575	615	700-760	14.6	15.6	—
Domestic, total	4,773	4,965	4,700-5,260	121.2	126.1	—
Exports	2,133	2,400	2,350-2,700	54.2	61.0	—
Use, total	6,906	7,365	7,150-7,900	175.4	187.1	—
Ending stocks	1,286	1,686	900-1,700	32.7	42.8	—
		Dol. per bu.			Dol. per metric ton	
Price received by farmers	[3]2.25	[3]2.40	2.35-2.90	89	[3]94	—
Price, Chi., No. 2 yellow	2.54	[4]2.64	—	100.0	[4]103.93	—
Soybeans:						
		Mil. acres			Mil. hectares	
Area						
Planted	64.0	71.6	—	25.9	29.0	—
Harvested	63.3	70.5	—	25.6	28.5	—
		Bu. per acre			Metric tons per hectare	
Yield per harvested unit	29.5	32.2	—	1.98	2.17	—
		Mil. bu.			Mil. metric tons	
Beginning stocks	161	174	380	4.4	4.7	10.3
Production	1,870	2,268	1,925-2,240	50.9	61.7	52.4-61.0
Supply, total	2,031	2,442	2,305-2,620	55.3	66.4	62.7-71.3
Crushings	1,018	1,130	1,076-1,165	27.7	30.8	29.3-31.7
Exports	753	850	825-900	20.5	23.1	22.5-24.5
Seed, feed, and residual	86	97	95	2.4	2.7	2.6
Use, total	1,857	2,077	1,995-2,160	50.6	56.5	54.3-58.8
Ending stocks	174	380	310-460	4.7	10.3	8.4-12.5
		Dol. per bu.			Dol. per metric ton	
Price received by farmers	6.66	[3]6.10	5.75-7.00	245	[3]224	211-257
Price, Chi., No. 1 yellow	7.08	[4]6.31	—	260.14	[4]231.85	—
Soybean oil:		Mil. lb.			Thou. metric tons	
Beginning stocks	729	776	1,120	331	352	503
Production	11,323	12,094	11,715-12,700	5,136	5,436	5,314-5,761
Supply, total	12,052	12,870	12,835-13,820	5,467	5,788	5,817-6,264
Domestic	8,942	9,200	9,400-9,800	4,056	4,196	4,264-4,445
Exports	2,334	2,550	2,350-2,650	1,059	1,089	1,066-1,202
Use, total	11,276	11,750	11,750-12,450	5,115	5,284	5,330-5,647
Ending stocks	776	1,120	1,085-1,370	352	503	488-617
		Cts. per lb.			Cts. per kilogram	
Price, crude, Decatur	27.4	23.0	19.0-25.0	604	507	419-551
Soybean meal:		Thou. short tons			Thou. metric tons	
Beginning stocks	243	267	325	220	242	295
Production	24,354	27,008	25,530-27,665	22,094	24,501	23,160-25,097
Supply, total	24,597	27,275	25,855-27,990	22,314	24,743	23,455-25,392
Domestic	17,720	19,400	18,435-21,000	16,075	17,599	16,724-19,051
Exports	6,610	7,550	6,600-7,100	5,996	6,849	5,987-6,441
Use, total	24,330	26,950	25,535-27,600	22,072	24,449	23,165-25,038
Ending stocks	267	325	320-390	242	295	290-354
		Dol. per short ton			Dol. per metric ton	
Price, bulk, Decatur, 44%	190.10	170.00	160.00-200.00	210	187	176-220

See footnotes at end of table.

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Supply and utilization of major crops[1] —Continued

	Domestic measure[2]			Metric measure[2]		
	1978/79	1979/80 Estimated	1980/81 Projected	1978/79	1979/80 Estimated	1980/81 Projected
Cotton:[7]		Mil. acres			Mil. hectares	
Area						
Planted	13.4	13.9	–	5.41	5.64	–
Harvested	12.4	12.8	–	5.01	5.19	–
		Lb. per acre			Metric tons per hectare	
Yield per harvested unit	421	548	–	.47	.61	–
		Mil. 480-lb. bales			Mil. metric tons	
Beginning stocks[8]	5.3	4.0	3.2	1.16	.87	.70
Production	10.9	14.6	12.2-15.2	2.36	3.18	2.66-3.31
Supply, total[9]	16.2	18.6	15.4-18.4	3.53	4.05	3.35-4.01
Mill use	6.4	6.5	5.8-6.8	1.39	1.42	1.26-1.48
Exports	6.2	9.0	6.0-8.5	1.35	1.96	1.31-1.85
Use, total	12.5	15.5	12.5-14.5	2.72	3.38	2.72-3.16
Difference unaccounted[10]	.3	.1	.1	.07	.02	.02
Ending stocks	[6]4.0	3.2	3.0-5.0	[6].87	.70	.65-1.09
		Cts. per lb.			Cts. per kilogram	
Price received by farmers	58.4	[11]62.6	–	1.29	[11]1.38	–
Price, SLM, 1-1/16 in., spot	61.6	[4]70.7	–	134.1	[4]163.8	–

[1] Marketing year beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, and soybean oil and meal. [2] Conversion factors: Hectare (ha.)=2.471 acres; and 1 metric ton=2,204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 49.9296 bushels of barley, 69.8944 bushels of oats, 22.046 cwt. of rice, and 4.59 480-pound bales of cotton. [3] Season average estimate. [4] Average for beginning of marketing year through May 1980. [5] Corn, sorghum, oats, and barley. [6] Less than 0.05. [7] Upland and extra long staple. [8] Based on Census Bureau data. [9] Includes imports. [10] Difference between ending stocks based on Census Bureau data and preceding season's supply less distribution. [11] Season average farm price.

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General Economic Data

Gross national product and related data

	Annual			1978			1979				1980
	1977	1978	1979p	II	III	IV	I	II	III	IV	Ip
				$Bil. (Quarterly data seasonally adjusted at annual rates)							
Gross national product[1]	1,899.5	2,127.6	2,368.8	2,104.2	2,159.6	2,235.2	2,292.1	2,329.8	2,396.5	2,456.9	2,520.8
Personal consumption expenditures	1,210.0	1,350.8	1,509.8	1,331.2	1,369.3	1,415.4	1,454.2	1,475.9	1,528.6	1,580.4	1,629.5
Durable goods	178.8	200.3	213.0	200.3	203.5	212.1	213.8	208.7	213.4	216.2	220.2
Nondurable goods	481.3	530.6	596.9	521.8	536.7	558.1	571.1	581.2	604.7	630.7	652.0
Clothing and shoes	82.4	91.2	99.2	89.9	92.7	96.8	95.5	96.9	101.0	103.6	103.9
Food and beverages	246.7	271.7	301.9	267.7	274.5	283.9	292.9	296.7	303.1	315.6	322.6
Services	549.8	619.8	699.8	609.1	629.1	645.1	669.3	686.0	710.6	733.5	757.3
Gross private domestic investment	303.3	351.5	387.2	352.3	356.2	370.5	373.8	395.4	392.3	387.2	387.7
Fixed investment	281.3	329.1	369.0	326.5	336.1	349.8	354.6	361.9	377.8	381.7	383.0
Nonresidential	189.4	221.1	254.9	218.8	225.9	236.1	243.4	249.1	261.8	265.2	272.6
Residential	91.9	108.0	114.1	107.7	110.2	113.7	111.2	112.9	116.0	116.4	110.4
Change in business inventories	21.9	22.3	18.2	25.8	20.0	20.6	19.1	33.4	14.5	5.6	4.7
Net exports of goods and services	-9.9	-10.3	-4.6	-7.6	-6.8	-4.5	4.0	-8.1	-2.3	-11.9	-13.6
Exports	175.9	207.2	257.5	205.7	213.8	224.9	238.5	243.7	267.3	280.4	308.1
Imports	185.8	217.5	262.1	213.3	220.6	229.4	234.4	251.9	269.5	292.4	321.7
Government purchases of goods and services	396.2	435.6	476.4	428.3	440.9	453.8	460.1	466.6	477.8	501.2	517.2
Federal	144.4	152.6	166.6	148.2	152.3	159.0	163.6	161.7	162.9	178.4	186.2
State and local	251.8	283.0	309.8	280.1	288.6	294.8	296.5	304.9	314.9	322.8	331.0
				1972 $Bil. (Quarterly data seasonally adjusted at annual rates)							
Gross national product	1,340.5	1,399.2	1,431.6	1,395.2	1,407.3	1,426.6	1,430.6	1,422.3	1,433.3	1,440.3	1,444.7
Personal consumption expenditures	861.7	900.8	924.5	894.8	905.3	920.3	921.8	915.0	925.9	935.4	936.5
Durable goods	138.2	146.7	147.1	147.8	147.5	152.1	150.2	144.8	146.9	146.7	145.4
Nondurable goods	332.7	343.3	349.1	339.4	344.7	351.9	348.1	344.1	349.2	355.1	354.1
Clothing and shoes	67.4	72.7	76.5	71.5	73.8	76.4	75.0	75.0	77.6	78.5	77.5
Food and beverages	166.5	167.1	168.8	165.5	166.6	168.6	167.2	166.6	169.3	172.3	173.5
Services	390.8	410.8	428.3	407.6	413.1	416.3	423.5	426.1	429.9	433.6	437.0
Gross private domestic investment	200.1	214.3	215.2	216.8	214.0	217.4	217.2	221.7	214.2	207.7	203.2
Fixed investment	186.9	200.2	205.5	201.2	201.8	205.5	204.9	203.5	207.1	206.3	202.9
Nonresidential	129.3	140.1	148.8	140.3	141.6	145.5	147.2	146.9	150.7	150.5	151.2
Residential	57.7	60.1	56.7	60.9	60.2	60.0	57.7	56.7	56.5	55.8	51.7
Change in business inventories	13.1	14.1	9.7	15.6	12.2	12.0	12.3	18.1	7.1	1.4	.3
Net exports of goods and services	10.3	11.0	17.6	12.3	13.3	12.9	17.0	13.2	20.1	20.1	25.0
Exports	98.4	108.9	119.9	109.2	111.9	113.8	117.0	116.0	122.2	124.3	131.7
Imports	88.2	97.9	102.3	96.9	98.5	101.0	100.0	102.9	102.1	104.1	106.7
Government purchases of goods and services	268.5	273.2	274.3	271.3	274.7	276.0	274.7	272.4	273.1	277.1	280.0
Federal	100.6	98.6	99.4	96.6	98.5	99.3	101.1	98.1	97.4	101.1	104.3
State and local	167.9	174.6	174.9	174.7	176.2	176.6	173.6	174.3	175.6	176.0	175.7
New plant and equipment expenditures ($ bil.)	135.80	153.82	177.09	150.76	155.41	163.96	165.94	173.48	179.33	186.95	189.49
Implicit price deflator for GNP (1972=100)	141.70	152.05	165.46	150.82	153.45	156.68	160.22	163.81	167.20	170.58	174.48
Disposable income ($bil.)	1,305.1	1,458.4	1,624.3	1,437.3	1,476.5	1,524.8	1,572.2	1,601.7	1,640.0	1,683.1	1,737.4
Disposable income (1972 $bil.)	929.5	972.6	994.8	966.1	976.2	991.5	996.6	993.0	993.4	996.2	998.5
Per capita disposable income ($)	6,017	6,672	7,367	6,584	6,749	6,955	7,157	7,275	7,430	7,606	7,834
Per capita disposable income (1972 $)	4,285	4,449	4,512	4,426	4,462	4,522	4,536	4,510	4,501	4,502	4,502
U.S. population, tot. incl. military abroad (mil.)	216.9	218.7	220.6	218.5	219.0	219.5	219.9	220.3	220.9	221.4	221.9
Civilian population (mil.)	214.7	216.6	218.5	216.4	216.9	217.4	217.8	218.3	218.8	219.3	219.8

See footnotes at end of next table.

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Selected monthly indicators

	Annual			1979		1980				
	1977	1978	1979p	May	Dec	Jan	Feb	Mar	Apr	May p
	Monthly data seasonally adjusted except as noted									
Industrial production, total[2] (1967=100)	138.2	146.1	152.2	152.4	152.2	152.6	152.3	151.6	148.6	145.5
Manufacturing (1967=100)	138.4	146.8	153.2	153.8	152.8	153.4	152.7	151.8	148.3	145.0
Durable (1967=100)	130.0	139.7	146.3	147.6	144.5	144.7	144.1	143.2	138.9	135.0
Nondurable (1967=100)	150.5	156.9	163.3	162.8	164.7	166.1	165.1	164.3	161.8	159.6
Leading economic indicators[1] [4] (1967=100)	136.4	141.9	140.3	141.4	135.5	135.5	135.1	131.8	126.4	123.4
Employment[5] (Mil. persons)	90.5	94.4	96.9	96.5	97.9	97.8	98.0	97.7	97.2	97.0
Unemployment rate[5] (%)	7.0	6.0	5.8	5.8	5.9	6.2	6.0	6.2	7.0	7.8
Personal income[1] ($bil. annual rate)	1,531.6	1,717.4	1,924.2	1,891.6	2,028.3	2,046.5	2,055.7	2,070.0	2,067.0	2,070.0p
Hourly earnings in manufacturing[6] [8] ($)	5.67	6.17	6.69	6.63	6.97	6.96	6.99	7.06	7.08	7.12p
Money stock (daily average)[3] ($bil.)	[7]328.4	[7]351.6	[7]369.7	355.5	369.7	370.8	373.7	373.1	367.6	367.8
Time and savings deposits (daily average)[3] ($bil.)	[7]522.5	[7]582.4	[7]624.8	590.1	624.8	628.7	634.9	639.1	646.9p	649.4p
Three-month Treasury bill rate[3] (%)	5.265	7.221	10.041	9.579	12.071	12.035	12.814	15.526	14.003	9.150
Aaa corporate bond yield (Moody's)[4] [8] (%)	8.02	8.73	9.63	9.50	10.74	11.09	12.38	12.96	12.04	10.99
Interest rate on new home mortgages[6] [9] (%)	9.01	9.54	10.8	10.47	11.64	11.87	11.93	12.62	13.03	13.67
Housing starts, private (including farm) (thou.)	1,987.1	2,020.3	1,745.1	1,801	1,548	1,419	1,330	1,041	1,039	920
Auto sales at retail, total[1] (mil.)	11.2	11.3	10.7	11.0	10.5	11.6	10.5	10.1	8.3	7.4
Business sales, total[1] ($bil.)	224.8	254.3	288.4	286.4	302.5	312.7	310.6	305.7	295.6p	—
Business inventories, total[1] ($bil.)	337.4	380.6	427.0	401.9	427.0	431.9	435.3	439.3	445.2p	—
Sales of all retail stores ($bil.)[1] [10]	60.3	66.6	73.7	72.3	77.2	79.5	78.0	76.5	74.8p	73.7
Durable goods stores ($bil)	20.7	23.2	25.6	25.3	25.9	27.3	26.4	24.3	22.7p	21.7
Nondurable goods stores ($bil.)	39.1	43.4	48.1	47.0	51.2	52.2	51.6	52.2	52.1	51.9
Food stores ($bil.)	13.2	14.5	16.0	15.7	16.9	17.0	16.7	17.2	17.3	17.2
Eating and drinking places ($bil.)	5.3	5.8	6.3	6.0	6.7	6.9	6.6	6.7	6.7p	6.5
Apparel and accessory stores ($bil.)	2.9	3.1	3.6	3.5	3.5	3.8	3.7	3.6	3.7p	3.8

[1] Department of Commerce. [2] Board of Governors of the Federal Reserve System. [3] Data changed to reflect new Federal Reserve definitions. [4] Composite index of 12 leading indicators. [5] Department of Labor, Bureau of Labor Statistics. [6] Not seasonally adjusted. [7] December of the year listed. [8] Moody's Investors Service. [9] Federal Home Loan Board. [10] Adjusted for seasonal variations, holidays, and trading day differences. p. Preliminary.

U.S. Agricultural Trade

Prices of principal U.S. agricultural trade products

	Annual			1979		1980				
	1977	1978	1979	May	Dec	Jan	Feb	Mar	Apr	May
Export commodities										
Wheat, f.o.b. vessel, Gulf ports ($/bu.)	2.85	3.56	4.45	3.78	5.01	4.87	4.79	4.57	4.30	4.45
Corn, f.o.b. vessel, Gulf ports ($/bu.)	2.49	2.66	3.01	2.93	3.07	2.85	2.97	2.90	2.81	2.86
Grain sorghum, f.o.b. vessel, Gulf ports ($/bu.)	2.30	2.48	2.85	2.64	3.15	3.03	3.11	3.06	2.95	3.00
Soybeans, f.o.b. vessel, Gulf ports ($/bu.)	7.38	7.04	7.59	7.63	6.91	6.76	6.80	6.55	6.17	6.36
Soybean oil, Decatur (cts./lb.)	23.69	25.79	27.59	26.34	26.26	23.58	23.22	21.73	20.17	20.74
Soybean meal, Decatur ($/ton)	192.17	170.71	191.08	188.92	188.00	180.20	174.25	164.60	154.2	165.78
Cotton, 10 market avg. spot (cts./lb.)	60.48	58.31	61.81	60.90	66.20	72.40	80.18	79.24	79.05	78.27
Tobacco, avg. price of auction (cts./lb.)	114.24	121.88	132.15	132.70	138.90	137.89	136.62	138.46	138.69	139.15
Rice, f.o.b. mill, Houston ($/cwt.)	16.96	20.61	20.25	21.00	21.10	20.10	22.2	24.80	24.00	23.00
Inedible tallow, Chicago (cts./lb.)	17.13	19.74	23.45	n.a.	19.92	18.69	17.47	19.00	18.50	—
Import commodities:										
Coffee, N.Y. spot (cts./lb.)	2.41	1.66	1.74	1.50	2.02	2.00	1.94	1.89	1.80	1.85
Sugar, N.Y. spot (cts./lb.)	10.99	13.92	15.61	14.33	18.30	19.66	24.69	21.19	22.67	31.89
Cow meat, f.o.b. port of entry (cts./lb.)	68.42	97.17	130.98	136.43	142.06	136.36	134.55	118.00	114.51	110.50
Rubber, N.Y. spot (cts./lb.)	41.59	50.19	64.57	65.66	68.00	75.04	83.25	74.50	71.47	68.78
Cocoa beans, N.Y. ($/lb.)	1.72	1.53	1.44	1.47	1.39	1.39	1.42	1.36	1.27	1.14
Bananas, f.o.b. port of entry ($/40-lb. box)	5.01	5.20	5.91	5.66	6.19	7.29	6.75	7.67	7.18	8.06
Canned Danish hams, ex-warehouse N.Y. ($/lb.)	1.85	2.02	2.01	2.09	1.95	2.01	2.09	2.00	1.86	1.83

n.a. not available.

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U.S. agricultural exports

	October-April				April			
	1978/79	1979/80	1978/79	1979/80	1979	1980	1979	1980
	Thou. units		*$ Thou.*		*Thou. units*		*$ Thou.*	
Animals, live, excluding poultry	–	–	85,570	89,916	–	–	10,260	12,000
Meat and preps., excluding poultry (mt)	229	239	475,544	516,931	31	37	70,019	76,881
Dairy products, excluding eggs	–	–	63,406	85,278	–	–	11,318	10,935
Poultry and poultry products	–	–	212,982	287,814	–	–	28,768	41,222
Grains and preparations	–	–	6,181,662	9,987,884	–	–	957,075	1,417,707
Wheat and wheat flour (mt)	16,345	20,617	2,277,203	3,711,960	2,139	2,724	301,153	485,732
Rice, milled (mt)	1,498	1,679	545,241	639,783	229	237	75,811	99,493
Feed grains, excluding products (mt)	30,363	43,234	3,196,145	5,442,383	5,085	6,461	554,860	805,161
Other	–	–	163,073	193,758	–	–	25,261	27,321
Fruits, nuts, and preparations	–	–	865,136	1,282,973	–	–	112,412	143,957
Vegetables and preparations	–	–	456,634	562,763	–	–	63,230	99,074
Sugar & preps., including honey	–	–	50,018	91,673	–	–	7,429	13,186
Coffee, tea, cocoa, spices, etc. (mt)	35	29	134,380	95,847	4	3	22,642	13,247
Feeds and fodders	–	–	1,291,994	1,684,437	–	–	181,332	214,268
Protein meal (mt)	4,075	4,852	896,826	1,101,313	474	627	109,155	133,391
Beverages, excl. distilled alcohol	33,885	34,774	12,863	14,852	10,170	9,453	3,790	3,989
Tobacco, unmanufactured (mt)	211	192	958,322	922,288	24	25	105,469	115,522
Hides, skins, and furskins	–	–	811,349	806,450	–	–	127,918	91,985
Oilseeds	–	–	4,288,898	4,551,575	–	–	546,607	598,119
Soybeans (mt)	14,727	16,185	3,892,801	4,182,138	1,842	2,213	516,277	544,058
Wool, unmanufactured (mt)	2	2	20,843	18,728	(1)	(1)	4,433	2,616
Cotton, unmanufactured (mt)	810	1,351	1,113,852	1,974,132	146	213	199,982	314,648
Fats, oils, and greases (mt)	775	906	400,547	475,332	89	174	48,462	86,078
Vegetable oils and waxes (mt)	935	1,091	636,979	749,854	127	196	87,112	124,836
Rubber and allied gums (mt)	9	10	10,442	13,431	1	3	1,374	3,523
Other	–	–	448,971	548,177	–	–	61,834	84,750
Total	–	–	18,520,392	24,760,335	–	–	2,651,466	3,468,543

[1] Less than $500,000.

U.S. agricultural exports by regions

Region[1]	October-April		April		Change from year earlier	
	1978/79	1979/80	1979	1980	October-April	April
	$ Mil.				*PCT*	
Western Europe	6,147	7,800	752	1,021	+27	+36
European Community	4,815	5,882	607	776	+22	+28
Other Western Europe	1,332	1,918	145	245	+44	+69
Eastern Europe and USSR	1,494	2,974	357	245	+99	-31
Eastern Europe	733	1,575	159	170	+115	+7
USSR	761	1,399	198	75	+84	-62
Asia	6,899	8,283	985	1,267	+20	+29
West Asia	795	821	92	117	+3	+27
South Asia	402	432	68	99	+7	+46
China, Mainland	616	1,043	77	160	+69	+108
Japan	3,044	3,463	410	525	+14	+28
Korea	803	916	138	135	+14	-2
Taiwan	576	666	85	107	+16	+26
Other East and Southeast Asia	663	942	115	124	+42	+8
Latin America and Caribbean	1,822	2,932	213	470	+61	+121
Brazil	244	486	9	77	+99	+756
Mexico	552	941	65	149	+70	+129
Caribbean	318	406	52	62	+28	+19
Central America	140	194	16	29	+39	+81
Venezuela	244	335	25	50	+37	+100
Canada, excluding transshipments	962	969	136	139	+1	+2
Canadian transshipments	288	411	95	106	+43	+12
Africa	812	1,272	99	207	+57	+109
North Africa	429	747	50	129	+74	+158
Other Africa	383	525	49	78	+37	+59
Oceania	96	118	12	14	+23	+17
Total[2]	18,520	24,760	2,651	3,469	+34	+31

[1] Not adjusted for transshipments. [2] Totals may not add due to rounding.

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U.S. agricultural imports

	October-April				April			
	1978/79	1979/80	1978/79	1979/80	1979	1980	1979	1980
	Thou. units		*$ Thou.*		*Thou. units*		*$ Thou.*	
Live animals, excluding poultry	–	–	253,371	323,219	–	–	22,605	22,919
Meat and preparations, excl. poultry (mt)	619	532	1,448,615	1,381,954	91	61	241,638	154,781
Beef and veal (mt)	500	410	1,095,253	1,076,972	72	43	184,877	111,359
Pork (mt)	98	105	306,664	266,443	15	16	48,131	38,835
Dairy products, excluding eggs	–	–	217,100	266,101	–	–	29,578	26,463
Poultry and poultry products	–	–	19,718	35,671	–	–	3,922	6,084
Grains and preparations	–	–	129,523	157,281	–	–	19,415	21,391
Wheat and flour (mt)	1	1	178	255	(1)	(1)	25	26
Rice (mt)	1	1	821	941	(1)	(1)	127	129
Feed grains (mt)	115	105	13,403	16,012	12	5	1,502	786
Other	–	–	115,121	140,073	–	–	17,761	20,450
Fruits, nuts, and preparations	–	–	733,675	711,675	–	–	135,932	115,256
Bananas, fresh (mt)	1,359	1,352	218,692	233,780	215	204	37,040	35,205
Vegetables and preparations	–	–	522,941	569,564	–	–	97,077	86,832
Sugar and preparations, incl. honey	–	–	517,013	884,628	–	–	78,441	137,709
Sugar, cane or beet (mt)	2,047	2,322	395,907	756,403	315	274	59,088	118,600
Coffee, tea, cocoa, spices, etc. (mt)	1,070	1,000	3,339,226	3,605,957	160	158	489,062	523,122
Coffee, green (mt)	721	673	2,126,696	2,583,278	122	99	339,781	354,364
Cocoa beans (mt)	134	77	469,096	236,915	13	20	44,977	51,951
Feeds and fodders	–	–	43,899	53,256	–	–	4,656	7,086
Protein meal (mt)	6	25	1,049	5,561	1	3	160	778
Beverages, excl. distilled alcohol (hl)	4,449	5,096	495,590	580,406	701	709	76,749	80,530
Tobacco, unmanufactured (mt)	94	103	223,815	251,012	14	16	30,757	38,270
Hides, skins, and furskins	–	–	182,012	145,682	–	–	34,529	18,537
Oilseeds	–	–	31,376	33,380	–	–	5,264	6,693
Soybeans (mt)	(1)	(1)	31	140	(1)	(1)	14	38
Wool, unmanufactured (mt)	17	18	51,000	59,197	2	3	6,339	9,319
Cotton, unmanufactured (mt)	10	12	4,443	4,776	2	2	1,551	706
Fats, oils, and greases (mt)	5	3	3,165	2,794	1	(1)	615	265
Vegetable oils and waxes (mt)	471	436	350,777	393,047	51	75	43,071	62,589
Rubber and allied gums (mt)	482	396	510,238	510,967	92	40	100,542	56,118
Other	–	–	371,928	411,906	–	–	59,283	56,794
Total	–	–	9,449,425	10,382,473	–	–	1,481,026	1,431,464

[1] Less than 500,000. Note: 1 metric ton (mt) = 2,204.622 lb; 1 hectoliter (hl) = 100 liters = 26.42008 gal.

Trade balance

	October-April		April	
	1978/79	1979/80	1979	1980
		$ Mil.		
Agricultural exports[1]	18,520	24,760	2,651	3,469
Nonagricultural exports[2]	75,475	96,605	11,360	15,334
Total exports[2]	93,995	121,365	14,011	18,803
Agricultural imports[3]	9,448	10,386	1,480	1,435
Nonagricultural imports[4]	97,852	129,209	14,782	18,312
Total imports[4]	107,300	139,595	16,262	19,747
Agricultural trade balance	9,072	14,374	1,171	2,034
Nonagricultural trade balance	-22,377	-32,604	-3,422	-2,978
Total trade balance	-13,305	-18,230	-2,251	-944

[1] Domestic exports including Department of Defense shipments (F.A.S. value). [2] Domestic and foreign exports including Department of Defense shipments (F.A.S. value). [3] Imports for consumption (Customs value). [4] General imports (Customs value).

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World Agricultural Production

World supply and utilization of major crops

	1974/75	1975/76	1976/77	1977/78	1978/79	1979/80	1980/81[1]
				Mil. units			
Wheat:							
Area (hectare)	219.9	224.9	232.4	225.7	226.4	226.3	—
Production (metric ton)	357.2	350.4	415.8	382.8	447.8	419.6	420.0-455.0
Exports (metric ton)	68.4	73.2	68.5	79.7	77.3	89.4	87.0-97.0
Consumption (metric ton)[2]	362.4	352.3	378.5	400.5	424.6	438.7	421.0-443.0
Ending stocks (metric ton)[3]	63.7	63.0	100.3	82.6	105.9	86.8	85.0-106.0
Coarse grains:							
Area (hectare)	342.4	349.3	349.6	347.2	345.9	343.5	—
Production (metric ton)	627.9	644.7	702.9	703.8	748.8	728.7	720.0-765.0
Exports (metric ton)	69.5	84.7	88.0	91.5	98.1	109.6	102.0-113.0
Consumption (metric ton)[2]	632.6	643.6	683.0	694.2	741.1	735.2	735.0-765.0
Ending stocks (metric ton)[3]	55.8	56.9	76.8	86.4	94.2	88.7	70.0-91.0
Rice, milled:							
Area (hectare)	132.6	147.8	141.6	143.8	143.4	141.6	—
Production (metric ton)	220.0	250.6	236.2	250.0	259.0	251.8	—
Exports (metric ton)[5]	7.3	9.4	10.4	9.6	12.4	12.3	—
Consumption (metric ton)[2]	221.8	242.1	236.4	244.9	254.7	255.8	—
Ending stocks (metric ton)[3]	11.1	18.6	17.6	22.7	26.8	22.9	—
Total grains:							
Area (hectare)	694.9	722.0	723.6	716.7	715.7	711.4	—
Production (metric ton)	1,205.1	1,245.7	1,354.9	1,336.6	1,455.6	1,400.1	—
Exports (metric ton)	145.2	167.3	166.9	180.8	187.8	211.3	—
Consumption (metric ton)[2]	1,216.8	1,238.0	1,297.9	1,339.6	1,420.4	1,429.7	—
Ending stocks (metric ton)[3]	130.6	138.5	194.7	191.7	226.9	198.4	—
Oilseeds and meals:[4 5]							
Production (metric ton)	65.3	73.5	67.2	79.8	83.8	98.4	—
Trade (metric ton)	27.6	32.5	33.6	38.8	40.6	44.5	—
Fats and oils:[5]							
Production (metric ton)	46.2	49.4	47.8	52.6	54.8	59.4	—
Trade (metric ton)	13.8	15.8	16.9	18.4	19.2	20.5	—
Cotton:							
Area (hectare)	33.4	29.8	30.8	32.7	32.0	32.2	—
Production (bale)	64.3	54.0	57.4	64.1	60.0	65.4	—
Exports (bale)	17.4	19.1	17.6	19.2	19.8	22.3	—
Consumption (bale)	58.7	61.2	60.9	61.1	62.8	64.7	—
Ending stocks (bale)	30.9	24.0	20.7	24.3	21.6	21.8	—

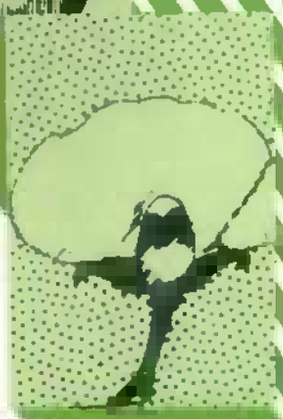
[1] Preliminary. [2] Where stocks data not available (excluding USSR), consumption includes stock changes. [3] Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. [4] Soybean meal equivalent. [5] Calendar year data. 1975 data corresponds with 1974/75. 1976 data with 1975/76, etc.

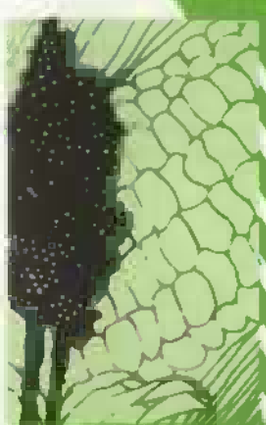
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